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4 November 1985

WEST EUROPE REPORT

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POLITICAL

EUROPEAN AFFAIRS

SOVIET COMMENTATOR VIEWS SECURITY SITUATION IN NORDIC AREA

Moscow INTERNATIONAL AFFAIRS in English No 7, Jul 85 pp 62-69

[Commentary by Yuri Komissarov]

[Text]

The situation in Northern Europe has always depended largely, and of course will continue to depend, on how matters stand in other areas of Europe and on the situation in Europe and the world as a whole. Any significant change in European politics has always affected the outlook for peace in the northern part of the continent. Conversely, European prospects hinge to a large extent on the way in which the situation develops in Northern Europe.

Prior to the Second World War, Northern Europe was often looked upon mostly as a periphery of Europe in economic and political terms; but since the war its role in international affairs has increased noticeably. This is also due to the increased economic potential of the countries in the region. With a population of 22 million (0.6 per cent of the world population) Northern Europe accounts for over 2 per cent of industrial output and about 5 per cent of exports in the capitalist world. The region as a whole is second to none as regards the tonnage of its merchant marine, and it is the third biggest per capita producer of electricity. The large off-shore deposits of oil and gas discovered in the 1960s in the seas around Norway, Denmark and Iceland have added to the Western powers' interest in this region.

But the most significant thing, however, is that the military strategic importance of Northern Europe has greatly increased in the postwar world. The Pentagon and NATO were attracted by its proximity to the militarily and economically important north-western regions of the Soviet Union. Norway and Finland have common frontiers with the Soviet Union; Denmark and Sweden occupy key positions in the Baltic Sea; and Iceland, which is half-way between the USSR and North America, can be used as an intermediate base in the North Atlantic for the US Air Force and submarines.

All this has confronted the North European countries with the serious problem of ensuring their national security and preventing the region from becoming involved in international conflicts. This revealed the differences in the approaches of the Scandinavian countries to the problems which determine the future of North European peace. Washington has succeeded in making "Atlanticism" the chief element of the foreign policy concepts of Norway, Denmark and Iceland. Although the Soviet Union invited the Scandinavian countries to sign a non-aggression pact in the early postwar years and thereby to dispel their doubts as to the USSR's

goodneighbourly intentions¹. Norway, Denmark and Iceland nevertheless took part in setting up the North Atlantic Alliance.

In this context Sweden's decision to reaffirm its adherence to its traditional policy of neutrality or, to be more precise, "the policy of freedom from alliances in peace time with a view to remaining neutral in the event of war", proved far more realistic. A principally new course was chosen by Finland, which, in 1948, signed the Treaty of Friendship, Cooperation and Mutual Assistance with the Soviet Union, the military and political provisions of which became a substantial factor in the maintenance of peace throughout the European North.

Such different foreign policy courses could not but complicate the task of ensuring genuine security in Northern Europe. About that time there emerged in Scandinavian countries the concept of a "northern balance" (it still exists there), a kind of a military-political equilibrium in that part of Europe. In the opinion of its advocates, Norway, Denmark and Iceland's membership of NATO allegedly balances out the neutrality of Sweden and the policy of Finland, which has special relations with the Soviet Union under the treaties signed between them. They also assert that the existing "balance" should not be upset because all its elements are closely interrelated. It is easy to see that this kind of reasoning objectively serves the goals of perpetuating the military presence of the USA and NATO in Northern Europe.

One must also bear in mind certain specifics of Norway and Denmark's membership of NATO. This is, in the first place, the principle officially proclaimed by both countries of not granting bases on their territory to foreign armed forces in peace time, which was later complemented by the declaration on the non-deployment of nuclear arms. These important principles, known as non-base and non-nuclear policy, reflected the wish of the two countries to consider to some extent the interests of the security of other countries in Northern Europe, and also those of the Soviet Union.

Norway, apart from all this, announced limitations on military activities in the regions bordering on the Soviet Union (forbidding flights of NATO military aircraft and the moorage of warships east of the 24° eastern longitude, and military exercises in the border area of Finnmark). Iceland, referring to the lack of its own national armed forces, declared that although granting a base to the US Air Force in Keflavik, it would not allow the presence of US nuclear weapons there.

However, it is the principled stand and practical actions of the Soviet Union, which consistently promotes the policy of preserving this region as a zone of stable peace, genuine security and goodneighbourly cooperation, that have been of decisive significance for the maintenance of peace and tranquility in Northern Europe.

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In contrast with many other regions of the world, the situation in Northern Europe was relatively stable for a long time. Even in the worst years of the cold war it remained outside international conflicts and contradictions, though on more than one occasion the worsening of the situation in Europe, as was the case in the early 1960s, threatened to spread northwards. In recent years, however, due to Washington's overall course towards building up tension and upsetting the existing balance of power in the world, the destabilising role of US and NATO policy has come increasingly to affect this region, too. The ever newer elements that emerge in the military strategic situation in the north of Europe make it more difficult for the region to remain away from seats of international tension. The meaning of the words "stability", "tranquility" and "security", applied to the region, has, of late, been losing its direct meaning.

With the development in the USA in the 1970s of the concepts of a first nuclear strike and "limited" nuclear warfare in Europe, Northern Europe began to figure more prominently in the Pentagon's plans. According to the new US naval strategy, the northern flank of NATO should be strengthened in order to dominate the North Atlantic and gain full control over the Norwegian Sea. To achieve this, said US Secretary of the Navy John Lehman, forces should be deployed in advance in the forward zone of the Atlantic, north of the Britain-Iceland-Greenland line, in close proximity to the territorial waters of the USSR. This, he said, would make it possible to conduct offensive operations against the Soviet Union in its territorial waters, and to hit targets deep in Soviet territory².

In 1979 Norway was included in NATO's remote electronic reconnaissance system, a network of radio-electronic espionage stations operates near the Soviet border, and a space target tracking station recently became operational there. US Orion planes, which keep an eye on the Soviet fleet in the Norwegian and Barents Seas, and the AWACS planes, which allow the US to see deep into the territory of the USSR (and also of Sweden and Finland), regularly take off from Norwegian airfields. The number of reconnaissance stations operating against the USSR in Denmark is increasing. In Greenland, the top-secret OL-5 station has been installed without the knowledge of the Danish authorities to collect information transmitted from US spy satellites. The role of this station is increasing even more in connection with the American plans to militarise outer space.

The Omega and Loran-C stations in Norway are designed to back up combat operations of the NATO armed forces, including combat patrolling of US missile submarines in the North Atlantic. Another 8 stations are to be added, some of which will be installed on Spitsbergen, which was declared a demilitarised zone under the 1920 Paris Agreement. The military installations in Greenland are designed for homing US strategic bombers and nuclear missiles on targets in the Soviet Union. The NARS tropospheric communications system built in 1970 on the Faeroe Islands services the US nuclear forces in Western Europe.

The principle of the non-deployment of foreign armed forces in Norway and Denmark in peacetime is gradually losing its original meaning. Legally this is expressed in the introduction of the vague concept of a "crisis situation", in which case NATO troops can be stationed on the military bases built in these countries. In practical terms this is reflected in the fact that US and NATO military units are stationed at these bases in peacetime, too.

NATO military exercises in Northern Europe have been constantly growing in scope. They have become so frequent and lengthy as to actually result in the constant presence of NATO troops in the region. As many as 40,000 NATO troops from 9 countries; 150 warships and 300 aircraft took part in the Team Work—Avalanche Express exercises held in the North Atlantic and the north of Norway in March 1984; 25,000 servicemen participated in the exercises conducted in Northern Norway. Large NATO naval exercises were held in August last year in the Danish straits and in the Baltic Sea. They were followed by air force exercises whose final stage linked with the beginning of large-scale NATO exercises code-named Autumn Forge 84 which lasted until November. The naval bases and ports of Norway are visited annually by over 100 NATO warships, and up to 80 military aircraft of the USA and other NATO countries use Norwegian airfields.

A new development in this area are preparations for receiving so-called NATO reinforcement units in Denmark and Norway. Such units would be used should a "crisis situation" arise. In 1974 Norway signed a secret agreement with the United States (the public and even parliament only learned about this in 1983), under which the US Air Force can use the

eight largest Norwegian airfields, most of them in Northern Norway. Provision has been made for 350 combat planes, including strategic bombers based in Britain, to be received there. To this end, ammunition and fuel depots have already been set up on these airfields. Norway has also signed corresponding agreements with Britain and Canada. Under a similar agreement signed by Denmark with the USA and Britain in 1976, 7 air squadrons and about 20,000 troops can be brought to Denmark in a "crisis situation". In May 1984 Denmark signed an agreement on receiving a further 100 aircraft belonging to a US marine brigade.

Military hardware depots for a US marine brigade have been being set up in Norway since 1981, which is another sign of the "erosion" of the non-base policy. The Danish government, too, allowed such a brigade to store its materiel on the Jutland Peninsula in April 1981.

At the same time, the USA and its allies are accelerating the modernisation and expansion of the NATO infrastructure on the territory of the Scandinavian countries. The number of military personnel at the US air base at Keflavik, which already is among the largest US air bases in Western Europe, has been increased to 3,200 and the number of combat and reconnaissance planes has doubled. Fuel reserves are being built up for US strategic bombers, and it is planned to build an underground control centre for the US Navy. The air base at Thule has been fully adapted for receiving and servicing all types of US strategic bombers. The network of airfields in Norway is being expanded to meet NATO needs.

Washington seeks, under various pretexts, to move US nuclear arms to Northern Europe. NATO's nuclear-capable aircraft, submarines and warships are constantly on patrol in the north-eastern part of the Atlantic and the west of the Arctic Ocean, often using Norwegian ports and airfields. According to the Stockholm International Peace Research Institute (SIPRI), the Keflavik base has a key role to play in the US plans for using nuclear arms in that part of the world. No clear answer has been given by the Americans to the Icelandic government's inquiries regarding the presence of nuclear weapons at that base.

It became known in 1983 that it was planned to deploy US cruise missiles with conventional warheads which, when necessary, can be replaced with nuclear ones, in Norway, Denmark and Iceland. Faced with the angry response of the Scandinavians, the Pentagon neither confirmed nor denied the existence of such plans. During his visit to Norway in 1983 John Lehman assured the Norwegians that there was a need for 3 or 4 groups of US aircraft carriers to be permanently present in the Norwegian Sea, including the regions adjacent to the Soviet sea borders. This would mean that 120 to 160 nuclear-capable aircraft and sea-based cruise missiles would be present there.

The USA and NATO display special interest in Sweden and Finland. Unable to overcome the barrier erected by Sweden's policy of neutrality and the commitments assumed by Finland under the 1948 Soviet-Finnish Treaty, Washington is looking for other approaches. Together with the USA, Swedish concerns and firms are involved in the joint development and manufacture of new types of armaments and combat equipment, including missiles. Side by side with US military-industrial corporations they are participating in the development of the multi-purpose LAS combat plane, which carries US air-to-air Sidewinder missiles. The Swedish Bofors concern has begun the manufacture of 900 pieces of artillery for the US self-propelled Divad mounts used by the Rapid Deployment Force. NATO arms are regularly shipped through Swedish territory to Norway.

Finland has no mean role to play in the Pentagon's North European strategy. This can be seen, in particular, from the plans (drawn up as early as 1969) for including it in a so-called grey zone; in the event of a nuclear conflict in Europe three operative regions would be created in Finland, close to its eastern borders. In December 1982 the US *Counter-spy* journal reported that in the event of a war the US Air Force had orders to deliver a nuclear strike not only at Warsaw Treaty countries, but also at a number of West European ones, 20 Finnish cities being included in the list of targets.³ A map published by the London weekly *New Statesman* showed that the routes of NATO heavy bombers delivering strikes at Leningrad, Murmansk and Arkhangelsk run directly across Sweden and Finland.⁴

High-ranking envoys of the US Administration who have become frequent visitors to Finland, call on the Finns to get ready to rebuff "the threat from the East". This was said, for instance, by US Assistant Secretary of Defense Richard Perle in Helsinki in August 1984. The US Administration seeks to use political contacts with the Finns for pushing the country towards pursuing a "more independent", that is Western-oriented, line in international affairs. During President Mauno Koivisto's visit to the USA in 1983 President Reagan laid special stress on support for "the internationally recognised neutrality of Finland". This was instantly taken up in pro-Western Finnish quarters by those who would like to belittle the importance of the 1948 Treaty with the Soviet Union and all its provisions as the basis of Finland's foreign policy.

The deployment of new US missiles in Western Europe caused new problems for the security of some individual North European countries and for the region as a whole. Former President of Finland Urho Kekkonen warned way back in May 1978 that the stability of the military-political situation in the north of Europe could be threatened if a decision were taken to deploy these missiles in Europe. "The very possibility of using cruise missiles," he said, "could result in states becoming involved in a conflict which does not concern them".⁵ Although US spokesmen offered assurances that "special" trajectories would be chosen for the cruise missiles targeted on the USSR, few people in the northern countries believe this, for they know from their own experience how little the USA cares about the interests of the security of other states, especially smaller ones.

It is only natural that both Finland and Sweden, being sovereign states, should themselves determine measures to prevent violations of their air space. Such measures are already being drawn up and put into effect. Since, however, the missiles in question have been targeted by the USA and NATO on the Soviet Union, it is appropriate to recall the relevant commitments assumed by Finland and the USSR in keeping with the military-political provisions of the 1948 Treaty of Friendship, Cooperation and Mutual Assistance should Finland or the USSR, through the territory of Finland, become the object of military aggression.

The "arguments" used by the USA to justify its increased military activity in Northern Europe are based on the flyblown myth of a "Soviet military threat". US propaganda calculates that, considering their geographic proximity to the Soviet Union, people in northern countries may be more sensitive to such a myth. Regrettably, in a number of cases American propaganda manages to achieve its ends. It is no coincidence that Washington focuses on the development of the Soviet armed forces primarily in the Kola Peninsula. Attempts are being made to frighten the northern countries with speculation about Soviet naval bases and exerci-

ses and a provocative outcry around Soviet submarines which allegedly violated Sweden's sea borders.

The Soviet Union does carry out military exercises in its north-western region, including those aimed at improving technical equipment and the combat might of its navy. All these measures, however, pursue one goal: to ensure reliable security for the USSR and its allies. Fully in keeping with its foreign policy and its military doctrine, the USSR does not seek military superiority in the north of Europe or in other parts of the world; it does not threaten any state, nor does it intend to.

The measures taken by the USSR are strictly defensive; they are an adequate response to the threat coming from the USA and NATO, including through the territory of Northern Europe. In other words, they should be viewed in the broader context of the global strategic alignment of forces and the need strictly to observe the principle of equality and equal security between the USSR and the USA, and between NATO and the Warsaw Treaty.

As for the USSR's principled approach to the problems of peace and security in Northern Europe, it firmly believes that the security of the region should be safeguarded by other means than stepping up the policy of blocs and increasing the level of military activity there. The main thing is jointly to find solutions meeting the objective interests of the peoples and serving the cause of peace. It is imperative that the positive potential should be consolidated and developed which would not only keep this region free of tension and conflicts, but would also help to make it a zone of stable peace, of guaranteed security for all, and of all-round and mutually-beneficial cooperation.

The continued escalation of the arms race and the threat of nuclear war, which has increased as a result of the policy pursued by the US Administration, are a source of growing concern for the North European countries. Perhaps never before has the discussion of the key issues of security in these countries reached such scope and intensity. The clash of opinion is between inveterate "Atlanticists" and those who believe that a more independent policy should be followed and that national interests should not be identified with Washington's global ambitions.

It would be wrong, of course, to believe that in the Scandinavian NATO countries sentiments in favour of making a complete break with the alliance prevail, although such feelings are growing. One should not ignore the fact that the second and even the third generation of Norwegians, Danes and Icelanders have grown up while the governments, parliaments and the main political parties of their countries declare NATO membership an axiom of their policy. That is why the anti-militarist opposition in these countries and the neighbouring states is well aware of the fact that Norway, Denmark and Iceland's membership of the North Atlantic alliance is a political reality which must be reckoned with. At the same time, however, these countries pose the question of the nature of their role in NATO, and insist both on reducing its negative effect on the national security of the alliance members as much as possible and on taking into account the security interests of other countries and Northern Europe as a whole.

These sentiments are visibly growing, for instance, in Denmark. In the early 1980s there emerged a so-called anti-missile majority in the Danish Folketing; it consisted of opposition parties: the social democrats, left-wing socialists and radicals. These parties managed to get the Folketing to adopt resolutions obliging the government to come out in favour of a freeze on nuclear arsenals, an end to the deployment of medium-range nuclear missiles in Europe, and a nuclear-free North, and against first use of nuclear arms.

Taking all this into account, the Danish government made a number

of reservations during the debate on the deployment of medium-range missiles at the December 1983 and June 1984 sessions of the NATO Council and decided to stop financing the infrastructure required for the deployment of new US missiles in Western Europe. Despite the NATO decision to increase military spending by 3 per cent a year, the Danish programme of armed forces development for 1985-1987 envisages a freeze on military appropriations.

The independence displayed by the Danes immediately caused peremptory cries and even threats from Washington. US Assistant Secretary of Defense Richard Perle accused them of "disloyalty" and of going back on their commitments, something, he said, the alliance had never known before. General Bernard Rogers, NATO Supreme Allied Commander Europe, warned that Denmark risked reaching a point where it would be unable to fulfil its NATO obligations.

The Scandinavians have been faced with a serious choice by the notorious "strategic defense initiative" of the US Administration. Visits by US envoys to Oslo and Copenhagen became all too frequent in the spring of this year. Their purpose was to involve the northern allies in the US plans for extending the arms race to outer space. Then, too, the anti-militarist sentiments which had been growing in Denmark made themselves felt. In March the Danish Folketing was the first Western parliament to approve by a majority vote a resolution (submitted by the Social-Democratic Party of Denmark) obliging the government to come out against the deployment of arms in outer space, and also against the country's participation in research into and the development of space weapons. The deputies of the left-wing parties angrily attacked the militarist course of the United States. The representatives of the government coalition voted against the resolution.

Concern over the US plans is also expressed in Norway. Having reaffirmed its resolute opposition to the militarisation of space, the Norwegian government announced its refusal to take part in American "research". Finland and Sweden, too, have come out against the "star wars" programme, which threatens peace.

The policy of neutrality consistently pursued by Sweden is of great significance for maintaining peace in Northern Europe. It is no secret that right-wingers in the country are stepping up efforts to give this course a pro-NATO direction and trying to launch a debate on the chief principles of Swedish policy, bearing in mind the forthcoming elections to the Riksdag. The Social Democratic government of Olof Palme has stressed in this context both the importance for the country of the traditional foreign policy and his determination to pursue this policy further. Addressing the Riksdag on March 26 this year with a government declaration, Foreign Minister Lennart Bodström declared: "As world tension grows, it is becoming imperative for us to act in such a way that trust in our wish and ability to pursue the traditional policy of neutrality should not be undermined in the world".⁶

It is especially important that Finland's foreign policy course be placed outside any speculation, although attempts have been made, and are still being made, in some quarters both in Finland and overseas, to use the election of a new president in 1982 to demand "corrections" in the "Paasikivi-Kekkonen line" and to call into question the viability of this time-tested policy.

President Mauno Koivisto has stated on several occasions that the basic principles of Finland's foreign policy remain unchanged and that he will allow no one to undermine the legacy of Paasikivi and Kekkonen. The

continuity and stability of this course, which is unaffected by changes in the world political climate, can be seen from the fact that in 1983 the validity of the 1948 Treaty of Friendship, Cooperation and Mutual Assistance was prolonged till the start of the next century; this is a major contribution to the strengthening of peace in Europe, including its northern part. During the meeting on March 14, 1985, between Mauno Koivisto and Mikhail Gorbachev, General Secretary of the CPSU Central Committee, the sides expressed confidence that Soviet-Finnish relations would continue to develop steadily in the direction outlined in the 1948 Treaty for the benefit of the peoples of both countries and in the interests of peace and international security.⁷

A certain evolution has recently been observed in the attitude of the Scandinavian countries to the idea of creating a nuclear-free zone in the North of Europe. In the 1960s and 1970s this Finnish proposal was rejected out of hand, whereas now it is discussed more seriously, including on the official level. A positive attitude to the idea of a nuclear-free zone was registered in resolutions of the congresses held by Norwegian and Danish Social-Democrats in 1981, in resolutions adopted by the Danish Folketing in 1983 and 1984, and in statements issued by the Social-Democratic government of Sweden.

An understanding on maintaining contacts on the question of such a zone has been affirmed each year since 1982 in the communiques of the meetings of the northern countries' foreign ministers, and the question is being studied at the Committee for Cooperation of the Social-Democratic Parties of the region. It is planned to hold a conference of parliamentarians from the North European countries on problems of creating a nuclear-free zone, which will be convened this autumn in Copenhagen. Mention should be made here of the recent decisions by the legislative bodies of Greenland and the Faeroe Islands to declare these autonomous Danish territories nuclear-free.

All this does not yet mean, regrettably, that the governments of all the Scandinavian countries are ready to go over to putting the idea of a nuclear-free zone into practice. There still remain their reservations on the need to view this question "in a broader European context" and to tie it in with Soviet-American talks, although this approach, naturally, hampers the realisation of an idea which has grown to maturity. Besides, impracticable demands are being made with regard to including the north-western regions of the USSR in the zone. As before, the Scandinavian members of NATO largely take the US stance into consideration in their actions. The USA takes a very negative stance on this question and brings open pressure to bear on its partners. But the very fact that the debate on a nuclear-free zone is becoming increasingly heated and thus attracting attention to the problems of North European security is important in itself. This idea and the persistent efforts to realise it have grown in importance, especially in connection with the deployment of new US missiles in Western Europe, which are a threat to the security of the North European countries as well.

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The Soviet Union not only supports the very idea of a nuclear-free North but has always displayed a readiness to help create the conditions for realising it and to contribute to consolidating the peaceful climate in the region. Let us recall that the Soviet stand, and this has been repeatedly expressed at the top level, has three major constructive elements, which take into account the position of the Northern countries. The USSR is prepared to act, together with other nuclear powers, as a guaran-

tor of the status of the nuclear-free zone, to consider some substantial measures with regard to its own territory bordering on the future zone, and, last but not least, to discuss with the parties concerned the question of giving nuclear-free status to the Baltic Sea.

Thus, the Soviet Union has made things perfectly clear as to the directions in which it can assist the implementation of the idea of a nuclear-free zone in Northern Europe. The suggestions made can, of course, be made more specific. It is, however, logical and politically justified to do this only after the northern countries agree amongst themselves on the start of talks in which the Soviet Union, too, is prepared to take part.

Of course, since the matter is one of consolidating in a treaty the nuclear-free status of the northern countries themselves, a possible nuclear-free zone in the North of Europe cannot include any part of the territory of the Soviet Union, which is a nuclear power. This question has a direct bearing on the existing global alignment of the forces of the nuclear states, and on the problem of preserving the military strategic parity between the USSR and the USA, and between the Warsaw Treaty and NATO, on the principle of equality and equal security.

In the present conditions greater importance is attached to yet another proposal advanced by Finland way back in 1965, namely, the proposal on assuming mutual obligations under a treaty banning hostilities in the area of the Finnish-Norwegian border in the event of a conflict between the great powers. The implementation of this constructive proposal, the urgency of which has been reaffirmed by Finland, could also be viewed in the context of confidence- and security-building measures envisaged by the Final Act of the European Conference.

Everything considered, the words of Paavo Väyrynen, Finland's Minister for Foreign Affairs, were directed precisely towards using some specifics of the situation in the North of Europe, the positive factors at work there and the effective application of confidence- and security-building measures. Addressing a foreign policy seminar in Helsinki on February 25, he said, among other things: "It has not been ruled out that, in the light of the results of the Stockholm Conference, attempts could be made to implement specific far-reaching confidence- and security-building measures in the North of Europe."⁸

The ideas expressed by the Finnish President Mauno Koivisto in his New Year speech on January 1, 1985, show concern for reliably ensuring the security of Northern Europe. Speaking about the need to ban long-range cruise missiles, he stressed that these missiles "present special problems to the northern countries, for most of them will evidently be deployed in the northernmost regions of the globe, on board warships and submarines and in aircraft operating from the northern regions."⁹

The USSR's position on this matter is perfectly clear and has been repeatedly set out by the Soviet government. If space strike weapons were banned, it would agree to a radical reduction of strategic arms with the simultaneous renouncement, or strict limitation, of the development and deployment programmes of new strategic weapons, including long-range cruise missiles. If the United States also displays a readiness to take the same approach, this will, naturally, eliminate the danger which these missiles would present for the North European countries.

One should view, in the context of efforts aimed at removing the threat of nuclear war and reducing the level of military confrontation in Europe, the proposal made by the Swedish government in 1983 on creating a zone free of "battlefield nuclear weapons" about 300 kilometres wide in Central Europe, i. e. 150 km on either side of the line running

between the NATO and Warsaw Treaty countries. The Soviet Union, it will be recalled, has expressed a readiness to take part in talks on creating such a zone and has proposed that it be increased to 500-600 km. One cannot fail to see that the Swedish proposal, although it concerns a number of regions where nuclear missiles have already been deployed, pursues the same end as the Finnish proposal on consolidating the nuclear-free status of Northern Europe. And, we hope, it is not unrealistic to think that in future a "nuclear-free corridor" in Central Europe and a North European nuclear-free zone could meet, opening the way to clearing the whole continent of nuclear weapons.

Greater efforts to ensure stable peaceful conditions in the North of Europe meeting the national interests of the countries in the region would, no doubt, be in line with the general efforts to solve the main problems facing Europe—those of eliminating the threat of nuclear war, bringing down the level of military confrontation, and increasing mutual trust and cooperation.

¹ See *Foreign Policy of the Soviet Union. 1949*, Gospolitizdat, Moscow, 1953, p. 76 (in Russian).

² *Defense Week*, June 12, 1981.

³ Quoted from *Uusi Suomi*, Dec. 17, 1982.

⁴ *Helsingin Sanomat*, May 3, 1982.

⁵ U. Kekkonen, *Finland and Its Way to Peace and Goodneighbourly Relations*, Progress Publishers, Moscow, 1979, p. 278.

⁶ *Dagens Nyheter*, March 27, 1985.

⁷ See *Pravda*, March 15, 1985.

⁸ *Suomenmaa*, Feb. 26, 1985.

⁹ *Helsingin Sanomat*, Jan. 2, 1985.

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POLITICAL

EUROPEAN AFFAIRS

PROFESSOR VIEWS NORDIC 'CONSERVATIVE WAVE' PHENOMENON

Copenhagen BERLINGSKE TIDENDE in Danish 8 Oct 85 pp 12-13

[Op-Ed Article by Ole Borre, Professor at the Institute of Political Science at Aarhus University]

[Text] Instead of being fascinated by the onrushing wave of conservative sentiments, we should probably be sounding out the undercurrent of changing opinion that has accompanied the conservative wave in Denmark, Norway, and Sweden.

The recent parliamentary elections in Norway and Sweden resulted in a continuation of the nonsocialist government in Norway and of the Social Democratic government in Sweden. Despite the nonsocialist victory in Norway, however, the press described the election results in both cases as an indication that the conservative wave appeared to have passed. Conservatives lost voter support in both Norway and Sweden. This must make Conservatives in Denmark stop and think. To be sure, Denmark is not Norway or Sweden and Poul Schluter is not Kare Willoch or Ulf Adelsohn, but the Conservatives still have reason to fear that the wheel of fortune may be turning in the wrong direction, since the popularity of the three sister parties among the voters has moved in parallel directions for many years.

In Sweden the Conservative Party reached a peak in 1958, then lost support for four consecutive elections until it bottomed out in 1970. The party then gained support for four elections until a new peak was reached in 1982. If this cycle should continue for some inexplicable reason, then the recent election defeat must be seen as the first in a series of four.

The Norwegian Conservative Party reached its first peak in 1965. This was followed by two defeats in the 1969 and 1973 elections. In the two subsequent elections, in 1977 and 1981, support for the party reached previously unprecedented heights, before meeting its nemesis in the last elections. If we look into a crystal ball, then we see that the Norwegian party has a 16-year cycle and the Swedish party has a 24-year cycle, but in both cases a peak was reached in the early 1980's. The Conservative Party in Denmark is more unpredictable. Before 1968 the party had moderate success among the voters. In the next three elections, however, the party nose-dived to just

5.5 percent of the votes in 1975, shortly after Poul Schluter took over as chairman. As we know, the party has advanced rapidly in the last four elections, reaching the 23.4-percent mark in January 1984. Thus, its rise and fall have paralleled that of its Norwegian syster party rather closely and, as in Norway, it is now the predominant party on the nonsocialist side. To complete the analogy, in September 1981 Kare Willoch became the first Conservative prime minister in recent times. Poul Schluter took over in Denmark 1 year later.

Since it appears that we will not have parliamentary elections during the next few years, much attention is being directed toward local elections on 17 November. They will give some indication as to whether or not the Conservative forces have actually begun to subside. Corrections must be made, however, for the gains the party has made on the national level during the past 4 years.

This amounts to about 10 percent of the voters. Previously experience from local elections indicates that this means an adjusted figure on the local level of half that amount, i.e. 5 percent, on average. Only the amount in excess of this 5 percent can be interpreted as a additional increase in voter support for the party. Any amount under this additional 5 percent must be seen as a real loss.

The question, however, is whether any increase will be seen as an encouraging sign. Conservative mayors and town council members throughout the country will demand recognition for the work they have done during 4 long years or more, which is now beginning to bear fruit at last.

They would hardly be human if they refused to accept the bouquets offered them by the voters.

Let it be said at once that no one can predict future political developments and, thus, the chances of the Conservatives for continued success. There are some characteristics of this success, however, that make it reasonable to believe that the Conservatives are facing far greater obstacles than they faced in the past. As an example, the party has failed to gain a firm grip on young people. In the 1984 elections the party received 20 percent of the vote from the 18 to 24 year age group. This is slightly below the average received by the party for all age groups. This sets the stage for a long-term imbalance that is uncharacteristic of a party that is advancing rapidly. Normally, new parties and rapidly growing parties have a disproportionately large number of young voters, since young people have not yet developed a psychological identification with any particular party and are more likely to be influenced by election campaigns. But young people, like their counterparts 10 years ago, are continuing to vote for left-wing parties in disproportionately large numbers. It is possible that there is a conservative wave among those even younger, who are not yet able to vote, but they are still under the influence of their parents, i.e. the generation now in their forties, who were influenced by the previous conservative wave in the early 1960's. We cannot yet say how these young people will react when they reach their twenties. They may well adopt the leftist norm found among those in their twenties.

The nonsocialist parties have also failed to gain a foothold among the female half of the voters. This is probably due to a combination of two factors: first of all, during the past 10 years many women have taken subordinate and marginal jobs that are in danger of being eliminated and, secondly, women are interested in the "green" questions and peace issues. Thus, a political gender gap has developed in recent years. The upcoming local elections will show whether or not this gap is widening.

In addition, the chief architect of the Conservative success is a middle-aged man. Twelve years ago many young male voters joined what was then a brand-new Progressive Party. They are probably the same ones who, now having turned thirty, are going over to the Conservative Party. We will never know for sure, since it is impossible to reinterview those who were questioned in voter surveys during the mid-1970's. Because of confidentiality laws their identities have not been kept. It appears that, in these age groups as a whole, the Conservatives have unfortunately taken on a group that has already demonstrated its instability in its choice of parties. In addition, despite everything, former Progressive Party voters comprise a total of only about 16 percent of the electorate. This supply of voters must have been almost completely depleted in the Conservative victory in the last elections. After that, new support must be found elsewhere. This may be more difficult and create problems for cooperation within the government.

Instead of letting ourselves be fascinated by the onrushing wave of conservative sentiments, we should probably sound out the undercurrents of changing opinion that have accompanied this wave in these three countries. This change can be illustrated by several examples.

In the Norwegian opinion polls, interviewed voters responded to the following statement: "If society is unable to control private business, then the leading banks and industries will have too much influence." The number of people who agreed with this dropped by about 13 percent from 1969 to 1977, but dropped only a few additional percentage points between 1977 and 1981. Thus, the greatest movement to the right by far in public opinion seems to have taken place during the beginning and middle of the 1970's.

The Swedish opinion polls use practically the same statement, namely: "Leaders in banking and industry have far too much influence if society is unable to control private business." Through six elections from 1964 to 1979, the number of voters who agreed with this idea varied over a range of 9 percent. The net result for this entire 15-year period was a change in public opinion of 7 percent to the left. This was more than offset, however, in just 3 years in the form of a significant loss of support for this view in the 1982 elections.

In the Danish opinion polls we do not have a truly corresponding statement on the relative influence of society and business. The closest we come is the following statement: "The state has too little control over private investments." During the five parliamentary elections between 1971 and 1979, support for this view rose and fell without any clear trend, but in 1981 there was a dramatic 25-percent drop in support for this view. Thus, as in Sweden, there

was a clear turn to the right in Denmark around 1980. The desire for higher taxes on upper-level incomes also received much less support at that time, so that it is possible to speak of neoliberalism in the 1980's.

At the same time, however, a consistent feature of this turn to the right in public opinion has been the absence of a corresponding shift in votes away from the labor parties to the nonsocialist parties. This can be explained, first of all, by the change in course by the labor parties toward giving business more room to develop. Back in the 1970's there was much talk of socializing major industries, banks, and insurance companies, but there is practically no such talk during the eighties. By following these changes in public opinion, the Social Democrats and SF (Socialist People's Party) have avoided allowing this flourishing neoliberalism in their own ranks to result in a loss of voters to the nonsocialist parties.

Secondly, it is important to note that the rightward shift in public opinion has not included a number of other questions involving the loss of social benefits, military expenditures, or environmental problems. On these issues, it is often the labor parties that hold the upper hand. To a great extent, their voters can stick with their party, although with a somewhat different justification than when control of private business was a more central issue.

In elections in our neighboring countries, and especially in reports from the Norwegian election campaign, it may be seen that, on the one hand, voters do not oppose giving business more room to develop and compete but, on the other hand, they also expect the fruits that result from this to trickle down, in one way or another, to dependent sectors of the population. It is no liberalism Hong Kong-style that is supported by the majority of people in the Nordic countries. Whether or not the conservative wave continues will depend, to a great extent, on its ability to solve the social problems that are arising in its wake.

The recent Conservative Party Congress gave some indications that top party leaders have accepted the possibility that the neoliberal wave may be ebbing out. In any case, chairman Schluter was not prepared to cut all ties with the Social Democrats, as some of the party's hotspurs wanted to do. The recent Liberal Party Congress, on the other hand, showed that this party now wants to fill the void that has been opened on the right wing of the party spectrum. This division of labor between the largest and the second-largest coalition parties fits in well with the current trend in public opinion. If the neoliberal wave comes to an end, the prime minister's party can still be pleased with its long-term effects, in the form of an improved trade balance and higher employment levels, which everyone wants. If the wave does not pass, it will be the Liberal Party that will take all the credit in a few years.

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POLITICAL

CYPRUS

PAPANDREOU'S APPEAL FOR UNITY CRITICIZED

NC101243 Nicosia I SIMERINI in Greek 10 Oct 85 p 1

[Editorial entitled: "The 'Alignment'"]

[Text] We will first reiterate Andreas Papandreou's position on the Cyprus issue:

1. No solution to the Cyprus issue is acceptable with Turkey as a guarantor power, particularly if this guarantor Turkey insists on the right of unilateral intervention.
2. No solution is acceptable so long as even one Turkish soldier remains in Cyprus.
3. Although the Perez de Cuellar initiative has been accepted by the Greeks as a process toward solving the Cyprus problem, it still falls outside the framework of the UN resolutions.

This Papandreou position is not new at all. He has thought and acted in practice along these same lines ever since the Perez de Cuellar initiative began. What is new is the definitive tone in which he announced his policy. In essence and in content this policy is identical to the positions taken by certain parties in Cyprus; it also is in opposition to the position of certain other parties. Thus, it creates an additional problem.

Papandreou obviously understands and knows the importance of what he has said in both the domestic and the foreign realms. He said what he said knowing full well the importance and weight of his statement. He has defined the policy of official Athens on the Cyprus issue. Konstandinos Mitsotakis has so far agreed with it...And now things get more complicated at a very serious level. We not only have the endemic domestic crisis in Cyprus; we also now have Athen's position on the Cyprus issue as declared, officially and with emphasis, by the Greek prime minister.

Papandreou rightly appeals for unity. He correctly states that the Cyprus issue is in darkness and that dangerous developments are imminent. However, the way, time, tone, and even the place he used to suddenly announce (but with advance planning) his policy on the Cyprus issue were not well chosen.

It is easy to deal with the issue on the basis of "what we refuse to accept." The cross of Cyprus, however, consists of "what we do accept," and everyone avoids taking up this cross. However, this is not the problem today. The problem is that Greece--and its prime minister at any given time--provide the only serious support for Cypriot Hellenism.

Papandreou has preached alignment with Cyprus and its Hellenism. Yet how has this alignment been practiced? Papandreou has been in power for five years and he has still failed to convene an all-national conference. When he did attempt to convene one, he recalled his decision after Spiros Kiprianou intervened. Papandreou has been the prime minister for five years, and there is still no policy on the Cyprus issue--neither on its essence nor on procedure. At the same time, there is no convincing defense here in Cyprus itself, nor is there any unity here. On the contrary, what does exist and what has exsited is a specific policy on "disagreement." Where does alignment exist?

For 10 years--five before Papandreou's rise to power and five years after--we have been asking for an all-national and specific policy on the Cyprus issue. We affirm that democracy in Greece did not rise from the resistance of Greeks there; it rose from the bones of the Greeks in Cyprus. We have said that Greece has a duty to liberate, to save, and to protect Cypriot Hellenism, and not just utter words like "because of the great distance," or "alignment." For 10 years everyone has been shouting in unison that we must all fight for the survival of Cypriot Hellenism, free from petty political and personal aspirations. The Greek prime minister, here and now (as he likes to declare), must invite everyone to Athens before it is too late for Cyprus--as well as for Greece! The enemy at this moment is not simply lying in ambush. He advances day by day. He exploits division and amateurism, as well as the verbal resistance of our leaders!

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POLITICAL

CYPRUS

BRIEFS

SARTZETAKIS PRAISED, HONECKER REMARKS--The government spokesman said that yesterday's statement by Greek President Khristos Sartzetakis at an official dinner in honor of Erich Honecker, chairman of the GER State Council, was a further expression and reaffirmation of Greece's continued, undiminished, and always sincere interest in the Cyprus tragedy, which is now 10 years old. The spokesman added: Once again we express our gratitude for the Greek Government's firm support and backing. Its alignment with us is voiced at every possible opportunity, at all levels, and in every international forum. The official spokesman also expressed the Cypriot Government's deep satisfaction at Honecker's remarks during an Athens press conference [as heard]. In his comments, Honecker condemned the Turkish occupation and stressed that the Cyprus issue must be solved in accordance with UN resolutions. He noted that his country is working with this goal in mind. The spokesman added: With this correct position, we believe that the GDR is making a positive contribution to efforts for a just and viable solution to the Cyprus issue. [Text] [Nicosia Domestic Service in Greek 1130 GMT 10 Oct 85 NC]

AKEL GREETINGS TO CAMBODIAN PARTY--The Kampuchean People's Revolutionary Party will hold its 5th Congress on 5 October. In light of this event, the AKEL Central Committee has addressed a message of greetings to the party. AKEL's solidarity with the Cambodian people's struggle for the defense of their revolution, for their march toward socialism, and for world peace. [Text] [Nicosia KHARAVYI in Greek 4 Oct 85 p 10 NC]

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POLITICAL

DENMARK

LIBERAL PARTY CONGRESS VOWS IDEOLOGICAL STAND AGAINST SDP

Differentiation from Conservatives Sought

Copenhagen BERLINGSKE AFTEN in Danish 20-26 Sep 85 p 3

[Article by Solveig Rødsgaard]

[Excerpt] The Liberal Party will hold its national congress during the coming weekend. The delegates will have to face the fact that the party is still lagging behind the Conservatives in the polls and that unity within the government has higher priority than taking up separate attitudes.

Position and Vigor. This is the new slogan of the Liberal Party, invented by the party chairman, Minister of Foreign Affairs Uffe Ellemann-Jensen, for introduction at the party's national congress to be held tomorrow. And the party chairman will again stress to the delegates that it is more important for the Liberal Party to have a good cooperation within the four-leaf-clover government than for the party to obtain better figures in the polls.

The emphasis is probably necessary. Uffe Ellemann-Jensen has now been chairman of the Liberal Party for 12 months after winning a sweeping victory over the group chairman, Ivar Hansen, at last year's national congress, but this has not been reflected in the opinion polls on the strengths of the various parties. On the contrary, in the opinion polls, the Liberal Party is still below the election results of January 1984, where the party scored 12.1 percent of the vote. In the most recent Gallup poll for BERLINGSKE TIDENDE, the Liberal Party got 11.6 percent of the vote.

When the four-leaf-clover government was formed in September of 1982, the Liberal Party had had an internal showdown on the line of the party a few months beforehand. In the elections in December of 1981, when the Liberal Party and the Conservatives entered the elections on the basis of the Liberal-Conservative program, the Liberal Party had lost two seats, while the Conservative Party had gained four. In the elections in January of 1984, the Liberal Party regained the two seats, as a result of which the party had 22 seats anew but the Conservative Party gained another 16 seats. And when, last year, the Liberal Party had to choose a new chairman to succeed Henning Christophersen, the clear election of Uffe Ellemann-Jensen reflected the opinion of the

delegates that the polemic scholar would give the Liberal Party a more marked profile than Ivar Hansen, the farmer. Uffe Ellemann-Jensen did not become a member of the party until shortly before his nomination in Århus in 1977, whereas Ivar Hansen was both group chairman, former minister and had the traditional Liberal background with a stay at a folk high school and a career within the Liberal Party Youth. The vote was distributed with 546 for Uffe Ellemann-Jensen and 93 for Ivar Hansen.

The desire for a clearer profile was another reason for the Liberal Party to decide to set up a so-called perspective committee. However, when the financial policy spokesman of the party, Anders Fogh Rasmussen, managed to sell the message with a choice of words which might create doubt as to the loyalty of the Liberal Party in the government cooperation, the Center Democrats and the Christian People's Party, among others, reacted so strongly that Uffe Ellemann-Jensen had to issue a statement expressing his regrets that Anders Fogh Rasmussen had used an "unfortunate choice of words" that was "needlessly objectionable."

Party Chairman

By why, then, is the Liberal Party unable to obtain any better Gallup polling figures--is it because the prime minister effect attracts the votes to the Conservatives? Uffe Ellemann-Jensen:

"I cannot possibly even begin to explain this. I merely wish to point out that, at the election of chairman last year at the national congress of the Liberal Party, I said that it is more important for the Liberal Party that the cooperation within the four-leaf clover government works than that we get better Gallup polling figures. And I wish to say the same thing at this year's national congress."

[Question] Is it because you foresee concern among the party delegates?

[Answer] I do not expect that will happen. As far as I was able to see, there was full support of the position last time, and I sense no concern. Naturally, we are all somewhat annoyed that we are not scoring any sweeping gains. But, after all, we had not expected that either. The most important thing is that the cooperation within the government is the way it should be.

[Question] If the figures of the polls are fairly constant, might this be because the party has now attained the size it will have?

[Answer] No, I believe that there are more liberal people than those who, according to the Gallup poll, say that they support us.

[Question] But what has then happened to them?

[Answer] Well, they may hide in various other places. I am certain that they will emerge at some point.

[Question] Have they hidden among some of the other government parties?

[Answer] They probably have.

[Question] That means primarily among the Conservatives?

[Answer] The statistics seem to indicate that.

[Question] Will you then not have to take special initiatives to persuade people to come back?

[Answer] No, I do not think so. We have to continue to do our work as well as we can in order to keep the cooperation going. That is our superior goal, exactly as I said it last year and will say it again this year.

[Question] Is the earlier discussion about university graduates versus non-university graduates in the party leadership dead?

[Answer] That has, of course, never been a discussion that has been really carried on within the party. It has, for the most part, been carried on in the newspapers, and it is a completely subtle discussion. It certainly does not exist in the Liberal Party. For who are university graduates? They are the children of our farmers.

[Question] But have you not looked into the composition of your electorate at all?

[Answer] We have indeed. If one examines the studies which have been made of the electorate, one will find that we are the party whose voters are the most diversified. Actually, the diversification of people based on age, work, and residence is larger with us than with any other party. That is also the background for our optimism because there are far more liberals than one would actually believe, and they will, no doubt, come back home when it becomes necessary.

[Question] Perhaps they simply do not realize that they are liberals?

[Answer] Well, they will find out.

[Question] Shall we have a repetition of last winter's discussion when one of the young members of the party stated that the government lacked an ideology, and that the Liberal Party probably was the party which would be best able to draw it up?

[Answer] That is certainly a discussion which will come back. We have, indeed, been carrying it on since then without others having become hysterical. If we had to react at the time, it was, of course, mostly to calm down others who, probably somewhat unjustly, felt victimized. We then reacted on the basis of the superior viewpoint that we are not to victimize the others, we have to make our cooperation work in the best possible manner.

Evaluation of Person

A political observer with close connection to the inner circles of the Liberal Party is Professor Jørgen Grønnegård Christensen, Århus University. He evaluates the situation of the Liberal Party as follows:

"It is very hard for the individual government parties to seek any differentiation from the government. That is considered illoyal. However, it seems to be the Conservatives who carry off the entire prize from the government co-operation. Incidentally, I do not believe that it is merely because the Conservatives are favored by the prime minister effect. It has also got something to do with trends, for the Conservatives were actually making enormous gains already before the government was formed. And then I suppose it is a question how good the post of foreign minister actually is as point of departure for a strong party profile. For it is not a post which normally will give good possibilities for creating a profile when it comes to major domestic issues. And if we then, moreover, look at the very special problems which have existed in the security policy area, it probably cuts both ways for the Liberal Party that Uffe Ellemann-Jensen is constantly in conflict with at least some of the leading Social Democrats. In my opinion, Uffe Ellemann-Jensen time and again handles these things in a clumsy manner, and, in this context, one may raise the question whether he is an asset for the Liberal Party.

However, there is also another factor which affects the support for the Liberal Party. In the final analysis, the Gallup figures may presumably be evaluated as an indication that it is not only a question of the right person at the top but just as much the fact that if the Liberal Party makes extremely strong appeals to the party's traditional voters, this is a group which has not got too much of a future.

If the Liberal Party is unable to change its voter basis, the party will, no doubt, experience continued stagnation and over the years a steady and constant setback. However, if the Liberal Party is able to change its voter basis, the party might have a future.

Jørgen Grønnegård Christensen believes that there are some Liberal votes among the Conservatives:

"The voters are much more unstable than they used to be, and it is, therefore, to be expected that shifts may suddenly occur in the relative strengths of the parties because the nonsocialist voters apparently are ready to shift from one party to the other very quickly. It is, therefore, quite conceivable that something might happen to the Conservatives the day the popularity of the government declined somewhat. It will then be the Conservatives who will have to carry the load, and the Liberal Party may benefit by it. Both parties realize this, and that is one of the reasons why they avoid too much differentiation from each other. They are quite aware of the fact that the gains they might score will be of extremely short duration."

SDP 'Social Model' Attacked

Copenhagen BERLINGSKE TIDENDE in Danish 22 Sep 85 p 6

[Text] Contrary to Prime Minister Poul Schluter, the chairman of the Liberal Party stresses that he wants "a showdown with the Social Democratic social model." "Position and Vigor" is the signal from the Liberal national congress.

"How can anybody imagine that we shall be able to start tackling the basic problem of the economy without, at the same time, having a showdown with the basis on which it rests, viz. the Social Democratic social model."

This statement was made by Uffe Ellemann-Jensen yesterday in his opening address at the national congress of the Liberal Party. The party chairman thus showed that the Liberal Party has a different view on that matter than the Conservatives.

It is only 3 weeks since Poul Schluter--with the support of Ninn-Hansen and Knud Østergaard--clearly rejected an actual showdown with the Social Democratic social model.

Uffe Ellemann-Jensen:

"The strong emphasis by the Liberal Party of its liberal position has had the result that we have been referred to as the most ideological party in the government. And that has, at the same time, had the effect that the Liberal Party has become the party in the government which has been attacked the most. Actually, we can be quite content with this. For it is merely a reflection of the fact that our political work makes sense.

That is why we also state openly that the task on which we are working right now involves a showdown with the so-called Social Democratic social model.

We cannot escape the fact that if the Danish society today is in the middle of a deep economic crisis, it is primarily due to the fact that Denmark for more than a generation has been governed on the basis of a Social Democratic social model with all of its exaggerated demands for a public sector expanding uncontrollably."

Uffe Ellemann-Jensen pointed out that the Liberal Party will continue to be a loyal partner in the four-leaf-clover government, and on their form of cooperation, he said:

"The four-leaf-clover government is composed of four different parties which far from agree on everything. This is a situation which requires both flexibility and willingness to compromise on the part of the four government parties.

4 November 1985

But it also requires that we keep the voters thoroughly informed of what we stand for--what we would do and not do if we had the needed strength. The efforts to seek compromises should not result in a vacillating position."

The chairman of the Liberal Party described the new Social Democratic program as a policy of overbidding and went on to say:

"Denmark for the Entire People was the slogan of the Social Democratic Party 2 weeks ago. There is no doubt that it will be the entire people that will get back on the economic slide if that program is implemented."

Uffe Ellemann-Jensen said that "position and vigor" mark the work of the Liberal Party in the municipalities and counties--and within the government.

"I should like to repeat what I said last year at the national congress of the Liberal Party. It is more important for the Liberal Party to contribute to a good and trusting cooperation within the four-leaf-clover government than to get better Gallup figures for itself. Indeed, developments in the past year have been such that the cooperation within the government has gone well--and that the Gallup figures of the Liberal Party have not improved. In that case, I shall be the last one to complain," said Uffe Ellemann-Jensen.

He enumerated a number of the results which the government had achieved in the economic area:

"The unemployment rate is now declining--not least among young people, we have the highest growth rate among the EC countries, the rate of inflation is one third of what it was before we took over, the interest rate has been reduced by more than 50 percent, and the deficit on the state finances has been reduced considerably," said the chairman of the Liberal Party, who, at the same time, stated that he was confident that increased exports will solve the problems of the balance of payment.

Ideological Debate Backed

Copenhagen BERLINGSKE TIDENDE in Danish 22 Sep 85 p 6

[Text] "If we did not have an ideology, why would we then want to become involved," asked the new party secretary of the Liberal Party.

The ideological position was also reflected throughout the report which was presented by the newly elected party secretary, Claus Hjort Frederiksen, at the national congress at Herning yesterday.

"The debate on ideology will be the characteristic of the Liberal Party," said Hjort Frederiksen. "What is policy if it is not a question of taking a position? Why would we want to participate in politics if we were unable to answer questions why we want to become involved?" said the party secretary.

He said in his report that the Liberal Party is still the country's best organized party. About 22 percent of the voters of the Liberal Party are members of the party. For the first time in several years, we, moreover, experience an increase in the membership. The increase is approximately 500, as a result of which the membership of the Liberal Party is now approximately 87,500.

New Deputy Chairman Elected

Copenhagen BERLINGSKE TIDENDE in Danish 22 Sep 85 p 6

[Text] Anders Fogh Rasmussen was elected new deputy chairman in the first round by 325 votes.

The new deputy chairman of the Liberal Party, Anders Fogh Rasmussen, member of the Folketing, elected at the national congress at Herning yesterday, tells BERLINGSKE TIDENDE that his election first and foremost means more work.

"I have also discussed this with my wife and got her support for it," says the new deputy chairman.

One of the other candidates, Minister of Education Bertel Haarder, said that it was like the national soccer game against Sweden, i.e. a friendship game.

Anders Fogh Rasmussen was surprisingly elected for the post in the first election round. He got 325 votes. Bertel Haarder got 146 votes and Minister of Social Affairs Elsebeth Kock-Petersen obtained 133 votes.

The Storstrøm county party organization presented the new deputy chairman with a piece of Jutland pottery, made on Falster, with a very short rope inside. It was an allusion to the speech by the Conservative group chairman, Knud Østergaard, at the Conservative national committee meeting. Knud Østergaard had said that he was old enough to remember that the cattle had to be given more rope when there was little grass for them to feed on.

Anders Fogh Rasmussen said after his election that the Liberal Party had long ago realized that the modern loose-housing system was more profitable.

Fogh Rasmussen was reprimanded last winter by his chairman because he had made a very ideological statement and thus got into some kind of conflict with the other government parties.

Fogh Rasmussen does not want to stop talking ideology, and he was supported in his position by the chairman of the party as well as the party secretary.

Foreign Minister Uffe Ellemann-Jensen thanked the outgoing deputy chairman, Hanne Severinsen, member of the Folketing, for "having shown political considerations in a time which had been difficult for her personally." Hanne Severinsen answered by saying that "as usual, it is nice to be liberal."

The newly elected deputy chairman's first request to the members who had elected him was:

"Go out and win the municipal elections."

Conservative, Liberal Party Rivalry

Copenhagen BERLINGSKE TIDENDE in Danish 22 Sep 85 p 18

[Editorial: "The Cooperation"]

[Text] The rivalry between the Conservative Party and the Liberal Party is a historical fact. Every few years it has led to showdowns between the two parties. However, it has not prevented periods of close cooperation in the post-World War II years, and it has not even discouraged leading politicians from proposing a union. At some point, such a cooperation was proposed by Erik Eriksen, later on it was proposed by Poul Schluter. During the past 3 years, the Conservatives and Liberals have been the major participants in the four-leaf-clover government, and there is no indication of anything which might discourage these leading government parties from continuing along these lines. There is no doubt that this position will be emphasized at the national congress of the Liberal Party.

No party will be able to avoid defeats and crises. The Liberal Party has triumphed in politics, but it has also had difficulties. It was the Conservative gains which put Poul Schluter into the post of prime minister, and the Conservative Party naturally benefits from this. It is remarkable, however, that in the elections last year and in the opinion polls which have been taken at regular intervals, the Liberal Party has kept its position. It can be hard on the small participants in a government cooperation, and things have not been easy for the Liberal Party either. If they have succeeded, it is, to a certain extent, due to the ability of the prime minister to act as an intermediary, which is his great asset. If, as happened at the national committee meeting of the Conservative Party, rather harsh statements are made regarding the partners in the government cooperation, they are in for it. However, it is just as much due to the prominent positions which several of the ministers of the Liberal Party have created for themselves in the daily work of the government and in the relations to the population. Nobody has any doubts that the foreign minister, the minister of interior and the minister of education--all of them from the Liberal Party--contribute to giving the government its profile.

A national congress is the place where the daily leadership of the party meets with the party representatives. A national congress will always be marked by the focus of the attention on the party and only that party. Surely things will be said which will jar on the ears of others. That is the way it is. Each party has to look after itself. There will also be criticism directed against the government and against the Liberal Party's own ministers.

The decisive thing is that there is no doubt as to the main line, which is adherence to the political cooperation which has given the country a stable government, which is now able to solve the problems of the country. Programs differ and opinions on current issues differ. But the differences are not so large as to hamper the government.

New Deputy Chairman Assessed

Copenhagen INFORMATION in Danish 23 Sep 85 p 12

[Editorial: "Left Turn"]

[Text] With the election of Anders Fogh Rasmussen, 32, as deputy chairman, the Liberal Party's delegates at the national congress, held at Herning over the weekend, have done the party chairman, Foreign Minister Uffe Ellemann-Jensen, a great favor. Ellemann-Jensen was greatly worried about the prospects for the election last Saturday, where apparently equally many county chairmen supported the candidatures of Minister of Social Affairs Elsebeth Kock-Petersen and Anders Fogh.

To Ellemann-Jensen, it was vital to get a deputy chairman who will really be able to undertake some organizing work within the party, and no minister will have time for that. As foreign minister, Ellemann-Jensen is unable to make any major contribution on the organizing level, and the party has just got an entirely new party secretary who will not be able to replace immediately the outgoing party secretary.

If Elsebeth Kock-Petersen or Minister of Education Bertel Haarder had been elected deputy chairman, Uffe Ellemann-Jensen's problematic dual work as party chairman and foreign minister would have become further conspicuous.

Ellemann-Jensen has not concealed his position within the executive committee of the party, and the vast majority of the delegates complied with the chairman's request.

Young Fogh Rasmussen will in his new job not be relieving the party chairman in a critical situation for the first time.

Six months ago, the attention focused on Fogh Rasmussen when he was elected chairman of the internal 'perspective committee' of the Liberal Party, the objective of which was to make the government adhere to a consistent, ideological course. The perspective committee was quite obviously an attempt to close the gap in the party and the government after former chairman and Minister of Finance Henning Christophersen. Not only to the outside world but certainly also internally within the Liberal Party, the perspective committee acquired great symbolic importance. At the evening meeting in the early part of the year of the Liberal group where the committee was set up, Uffe Ellemann-Jensen was expected to make a major domestic policy speech. He did not. The disappointment at the silence of the chairman contributed to increasing the enthusiasm for and the expectations of the new committee and ideologist Fogh Rasmussen.

During his term as minister, Henning Christophersen managed to start an impressive long-term work which was of major importance for the results of the four-leaf-clover government, its stability, its cooperation with the Radical Liberal Party as well as for the profile of the Liberal Party in the cooperation.

It was under Christophersen that the exact objectives of the government's economic policy were formulated. The objectives concerning the expenditure ceiling, the elimination of the deficits on the national budget and the balance of payments have turned out to be an extremely effective basis for the cooperation with the Radical Liberal Party.

Christophersen, however, was also the man who--even before a result had been achieved--would start the work on the formulation of the subsequent objective. His "will" was a draft work program for the government which was presented at the government's all-day meeting at the Sauntehus training center last fall.

At the said meeting, an outline was presented of the reform program which will be needed in order for the government to reshape the society on the basis of liberal ideas to make the showdown with the Social Democratic welfare state, initiated by the Liberal Party, politically effective.

However, 12 months after, it clearly appears from the program of bills to be proposed by the government, which INFORMATION was able to reveal prematurely last Saturday, that the government has become stuck in its reform work.

It obviously weakens the actual influence of the Liberal Party on the work of the government that Uffe Ellemann-Jensen has taken over the chairmanship and the party has given up the post of minister of finance.

Ellemann-Jensen's own contribution to the party profile has been his arrogant line of confrontation towards the Social Democrats in the foreign policy area. Many prominent party members recognize today that the said line of confrontation is unproductive and is hardly widely supported among Liberal voters.

If Ellemann-Jensen nevertheless is able to obtain the enthusiastic support of his party members in characterizing his party as "the chief enemy of the Social Democratic Party," this is not least due to tactical considerations prior to the municipal elections. A confrontation in the election struggle between the Social Democratic Party and the Liberal Party is deemed to contribute most to supporting the 'mayor effect' which the Liberal Party hopes will correspond on the local level to the 'prime minister effect,' which is used as the main explanation for the Conservatives' massive gains among the electorate in connection with the government cooperation.

On the long view, several leading Liberals are concerned about the role as the hawks of the government which has been attributed to the party. Nobody disagrees that, contrary to the Conservative, the Liberals will have to be an ideological party with strong, fundamental views of the society. However, the role as the extreme right wing in Danish politics disagrees with several

Liberals. It hardly fits the electorate basis, which is the broadest and the most average basis any party may have.

That is why the young party ideologist was heard speaking on environmental policy issues, on the necessity to preserve the joint social efforts and on cultural policy issues. That is why Ellemann-Jensen did not only talk about NATO and the EC but also about refugees and developing countries.

The elections in Norway and Sweden have shown the Liberals that the support among the electorate for the welfare society is still strong, perhaps even stronger than a few years ago. If Denmark succeeds in relieving the economic balance problems, the support for the retrenchment line and the inequality policy may rapidly decline. The Liberal Party has recognized this.

7262

CSO: 3613/4

POLITICAL

DENMARK

DANISH COAL IMPORTS FROM SOUTH AFRICA DROPPING

Copenhagen BERLINGSKE TIDENDE in Danish 12 Sep 85 Sect III p 8

[Article by Lars Dyrskjød: "Coal Imports From South Africa Declining"]

[Text] The electric power plants will import far less coal from South Africa this year than last year. This is evidenced by a number of new figures from the Energy Ministry in light of the recent political debate regarding imports from South Africa. Firstly, the figures show that coal imports will not be larger than expected and agreed on. And secondly that the electric power plants are already in the process of a strong changeover regarding coal imports.

"This year the electric power plants' imports of coal from South Africa will be 2.966 million tons. And coal imports are thereby within the three million tons established in the electric power plants' decision regarding winding up imports of coal from South Africa before 1990," Energy Ministry Section Chief Terkel Nielsen reports to BERLINGSKE TIDENDE.

"In the first six months of this year there has certainly been a suggestion regarding winding up imports," the section chief says.

According to the Danish Statistical Bureau, 1.771 million tons of coal were imported from the Republic of South Africa in the first half of 1985. The Energy Ministry has confirmed that during this period electric power plants have imported 1.187 million tons of coal from South Africa. Of this 584,000-ton difference, 321,000 tons are due to different accounting methods at the Danish Statistical Bureau and the Energy Administration, while the last 263,000 tons were imported by the BP and Shell oil companies together with a number of smaller importers.

"There is nothing suspicious at all in the fact that there is a difference in the two accounting methods, if only the reasons are known. The Energy Administration's accounting of coal imports has the objective first and foremost of ensuring that Denmark has the necessary stockpiles, and for this reason coal cargos are registered upon arrival in Danish ports. The Danish Statistical Bureau is to register cost and value for the State, and this takes place when the coal has had its duty paid on it, and this can be up to

10 working days after a cargo's actual arrival in a Danish port," Section Chief Terkel Nielsen reports.

"In the first half of this year BP imported 143,000 tons of coal from South Africa, and this was due exclusively to the fact that we were in an emergency, when we could not supply with coal our customers among the district heating plants and major industries because of the British mineworkers strike," BP Department Head Torben Routhe says. "However, we are completely of the mind to live up to the Folketing's suggestion, and for this reason with the assistance of BP in London we have gotten our contracts in South Africa cancelled and have instead entered into an agreement in Australia."

The first 60,000 tons of Australian coal will come to BP in Denmark next month. "Earlier it was largely speaking impossible to sell Australian coal in Denmark because of the high transportation costs--they are almost twice as high as from South Africa. The low rate of exchange on the Australian dollar combined with transportation markets have had the effect that today Australian coal is competitive in both quality and price," Torben Routhe says.

"[Words missing] higher imports from South Africa than in the first half of 1984. However, this is associated with the fact that the Zealand electric power collaborative, Elkraft, advanced deliveries from the second to the first half of 1985 because of the cold winter, but it evens out on a yearly basis."

On the basis of reports from Elkraft and Elsam, which is the Funen-Jutland electric power collaborative, to the Foreign Affairs Ministry and Energy Ministry, Section Chief Terkel Nielsen maintains that from 1984 to this year there has been a very strong declining trend in imports of coal from South Africa.

"Whereas Elsam got 44 percent of its coal from South Africa in 1984, this year it will be only 35 percent. And as far as Elkraft is concerned, the figures are, respectively, 23 percent and 19 percent. These figures certainly speak their own plain language to the effect that the power companies are following the Folketing's [words missing]."

8985

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POLITICAL

FEDERAL REPUBLIC OF GERMANY

RAU'S LACK OF PROFILE COULD GENERATE LEFT-RIGHT SPLIT

Duesseldorf WIRTSCHAFTSWOCHE in German 13 Sep 85 pp 14-15

[Unattributed article: "Fear of Wear and Tear"]

[Text] With Johannes Rau, the SPD is nominating a candidate for the chancellorship who is not identified with any wing of the party. Reopening the battles between left and right Social Democrats would lower the election chances of the SPD in 1987.

Hans-Jochen Vogel, head of the SPD parliamentary caucus, was stubbornly playing games of secrecy after the race was already over. Annoying questions by Bonn journalists about the future SPD candidate for the chancellorship were evaded by Vogel by referring to a sign allegedly used by Franz Josef Strauss during his time as Bonn's finance minister in order to keep petitioners out of his office. The sign reads: "Others before you have already tried it."

Vogel's reference is ambiguous, since Johannes Rau, minister president of North Rhine-Westphalia, is to attempt in the parliamentary elections of 1987 what Vogel failed to achieve in the elections of 1983: to conquer governmental power as the SPD candidate for the chancellorship. When SPD chairman Willy Brandt meets on Monday (September 16) with Rau and Vogel, his two deputies in the party leadership, it is only a question of how, but no longer of who will run as the top man. Still, Rau is not to be officially nominated before the end of this year.

There is method to the party's official keeping of the secret which no longer is one. The next parliamentary election is over 16 months away, and it is the intent of his party comrades that Rau not be sent too soon into an overly long election campaign. Says SPD presidium member Hans Koschnick: "He is not to be worn out beforehand."

The top SPD candidate of Lower Saxony, Gerhard Schroeder, who would like to unseat CDU Minister President Ernst Albrecht in the Landtag election in 1986, advocates an even later nomination date: "My advice would be to make this decision official after the elections for the Lower Saxony Landtag." Schroeder's calculation: if Rau already appears as official candidate for the chancellorship in the Lower Saxony Landtag elections, this would turn it into a "vicarious parliamentary election campaign."

But in Schroeder's opinion, the Social Democrats would have a better chance in a straightforward state election.

The election campaign organizers in the Bonn SPD headquarters also welcome a later date for the nomination. For once Rau has been chosen, he will have to announce his team and his specific political intentions.

But the candidate, who played coy for a long time, cannot do this ("As a career, it has no attraction for me at all. There are better things--for example, minister president of North Rhine-Westphalia")--or at least, not yet. However, in view of the upcoming trilateral talks, he has registered conditions for his candidacy: he wants clear confirmation of the team that is to go into the election campaign with him, of the SPD election campaign subjects, and--surely the most sensitive point--on the transition in the party's executive board. It is already clear that in 1986, Brandt wants to be reconfirmed as party chairman for 2 more years and will resign only after the new party platform has been decided.

It is in this very work on the party platform, which is more important for the SPD than for other parties, that Rau is considered weak even among his own comrades. He is neither a member of the platform commission, chaired by Brandt himself, nor has he attended its meetings so far.

He came recommended to his party by his brilliant victory in the Landtag elections in May, in which he was helped without doubt by his colorless CDU rival, Bernhard Worms, as well as by the blunders of the Bonn government under Helmut Kohl. Even in the latest opinion polls, Rau is far ahead among voters, while his opponent in the parliamentary elections of 1987, Chancellor Kohl, has dropped into the minus column (see page 136).

In economic policy, Rau shows himself as a pragmatist; before his election as head of the government in Duesseldorf, he had been minister of science for 8 years. Rau states that "no one can promise today to do away quickly with mass unemployment," and he accuses the Christian-Liberal government in Bonn of "having created the impression, and having tried to create the impression, that it can do so."

He advised his own party friends against "faith in the effectiveness of individual instruments" of economic and financial policy: "Usually, one only knows after the fact whether they really worked."

Within the SPD, it is in Rau's favor that he is not considered a part of one of the party's wings. Renewed battles between the wings in the parliamentary caucus would abruptly end the SPD's present high standing among voters (Brandt: "The figures in the polls are almost too good, so long before parliamentary elections"). The candidate-designate for the chancellorship knows this; he who in the spring expressly praised his rival at the time, Vogel, for his leadership in the parliamentary caucus. Rau said at that time: "One must see how it could also have been: the parliamentary caucus splintered, broken up into groups."

But if the high standing of Vogel fades--since he failed to get the nomination for candidacy--, then the danger of new battles between the wings in the parliamentary caucus will grow. To the comrades on the left, the founding of the Kurt-Schumacher-Society (KSG) is already an alarm signal. For in this society can be found all those right-wing Social Democrats who were once organized in the canal workers' team and thus exercised power and influence in the parliamentary caucus. The elections for the board of the parliamentary caucus in October are considered a barometer of whether the "new We-sentiment" created by the success in the Landtag elections (an SPD member of parliament) will endure between the left and right wings in the parliamentary caucus. How quickly harmony can be disturbed, was shown by the disputes among the comrades--although not between Left and Right--, when the security policy considerations of SPD member of parliament Andreas von Buelow, diverging from the official party line and that of the parliamentary caucus, were put before the public.

One point of friction, namely, possible cooperation with the Greens--which the left wing would accept but is strictly refused by the right wing of the SPD--Rau is trying to circumvent from the very beginning, following the model of North Rhine-Westphalia. Rau: "If the SPD makes it, it can make it on its own."

Confidence, Within Limits

The future SPD candidate for the chancellorship, Johannes Rau, "is pro-market, for as much market as possible, at any rate for more market than is the reality today in some sectors." And he adds: "I am in favor of entrepreneurial dynamics and initiative, and I think it is good if an enterprise achieves profits" (Rau at the SPD Party Congress in Essen in May 1984). But Rau's confidence in market forces has its limits. "The market in itself does not solve...tasks such as ensuring full employment, monetary stability and steady growth, or securing social adjustment and environmental protection." In the opinion of the top SPD man, this sentence for the '85 platform, already adopted in 1975, is still valid today. High unemployment, in his opinion, is a consequence of the "third industrial revolution," in which--as a result of new technologies--the gap between rapidly rising productivity and less rapidly rising production is widening. Mass unemployment cannot be reduced "through quantitative growth alone," because a real growth rate of 6 percent or more would be needed.

Rau thinks that what is needed is "a new policy for developing a deliberate structural change of our economy, a policy of qualitative growth which leads to a higher quality of life." He mentions as "cornerstones of the Social Democratic way, in addition to cutting working hours, an active, qualifying labor market policy and modernization of the national economy."

The top SPD man advocates an "active national policy for industry and technology." According to Rau, new technologies "do not, with the force

of natural law, lead to job eliminations and disqualification. New technologies can also lead to higher-grade jobs...and reduce unreasonably primitive activities." A modernized economy could, at the same time, be less centralized and thus less subject to crises.

The modernization of production will change considerably social reality in the FRG. According to Rau, the Social Democrats want to shape these changes "in consensus with the workers and their trade unions," and "in cooperation with the employers."

9917

CSO: 3620/8

POLITICAL

FINLAND

CHURCH GROUP INVITES SOVIETS TO DEFECT THROUGH FINLAND

Helsinki HELSINGIN SANOMAT in Finnish 18 Sep 85 p 3

[Text] A group of pentecostalist activists based in Helsinki promises tourists from the USSR help in defecting in the event that migration to Sweden is of interest. Aid and transportation is offered free of charge on flyers distributed to Soviet tourists.

In the opinion of the chief of protective police, Seppo Tiitinen, this activity is in poor taste and ill-conceived even if not actually illegal. This defection aid organization has been active for only a couple of months and no one has yet been transported. The flyers, however, have been distributed by the tens of copies and the intent is to make the activity more efficient.

The defection aid is offered in places where Soviet tourists go as well as where they are lodged, such as at the Hotel Presidentti. The tourist is handed a flyer in Russian. If the tourist is still interested after reading the flyer he/she will be given the name and phone number of a contact person. A Helsinki man who belongs to the defection aid group promises that, if necessary, a defector will be transported to Sweden by plane. He emphasizes that the activity is apolitical. The motive is purer, that is--as the leaflet explains--pure love for one's neighbor.

It is known that certain other groups furnish similar aid to persons that come from other socialist countries. Some Poles have already been helped to get from Finland to Sweden.

The defection aid group arose and was inspired by the Helsinki-pact cruises of Baltic refugees. There is comparable activity in at least Sweden.

Если тебе интересно уехать
из Финляндии, тогда я тебе
бесплатно возу до Швеции
и дам совет о контакте там.
и помогу тебе если у тебя
начальные трудности. Все это
я сделаю только из любви
к ближнему без платы

The translation of the photocopied defection-aid leaflet reads: "If you are interested in going from Finland to Sweden I will furnish you with free transportation and arrange for contact persons on your behalf as well as help you with newcomer's problems that you may experience there. I am doing this free of charge out of pure love for my neighbor."

13002

CSO: 3617/177

POLITICAL

FINLAND

STALINIST NEWSPAPER CONTINUES ATTACK ON EUREKA PROJECT

Joining Would Hurt Neutrality

Helsinki TIEDONANTAJA in Finnish 20 Aug 85 p 2

[Editorial: "Eureka"]

[Text] Large Finnish corporations learned this summer, undoubtedly to even their own surprise, that by flashing a microchip they can head not only economic policy but Finland's foreign policy as well. Finland was brought into Eureka, a far-reaching foreign policy project, with embarrassment only over the lateness of the invitation, and without asking permission from either the parliament or the foreign affairs committee. What happened demonstrates that if someone believes that foreign policy is best run by keeping a low profile, a high-profile doer is certainly to be found as well, though from a different direction.

In connection with the Eureka project a very flat, even naive discussion was held in public over a very important issue. Leaving ourselves outside of the Eureka project would mean "falling, being left behind, isolation, becoming poorer and more miserable." These kinds of statements were given already before there was any clear picture of the whole project, and when there was practically complete silence about its military prospects.

At this point it is already completely indisputable that one of the project's starting points has specifically been military needs, to which Reagan's Star Wars military plan in particular has given impetus in Western Europe too. The "independence" of Western European countries from the United States and Japan in technological and military-technological development is not the issue, as has been insisted in Finland too; rather, it is the securing of certain Western European large corporations' ability to compete with large American and Japanese corporations. Doubtless they are thus interested in handing out partial projects for the smaller states and their large corporations; and for some reason people in Finland seem terribly grateful about this.

The Eureka-project and discussion over it in Finland have far-reaching consequences. Joining Eureka would mean tying Finland to the West more tightly than ever, now in a military sense as well, because separating "military projects" from "civilian projects" would be, in practice, impossible. Taking part in

the Eureka project is also used as an important reason for changing Finland's foreign policy line from what it has been, as for instance Max Jakobson's and Jukka Tarkka's recent stands indicated.

The discussion that has gone on in Finland has also shown that the political administration does not have the kind of vision and program which could, taking into account our country's power resources and economic and international policy situation, secure our lead in technological development in those areas that are possible and sensible for us. This means research and education as well as manpower policy. It is exactly that lack which allows free rein to a few large corporations and foreign policy adventurers.

High Level Eureka Delegation

Helsinki UUSI SUOMI in Finnish 30 Aug 85 p 7

[Article: "High-level Eureka Planners from Finland"]

[Text] Finland is sending a high-level official delegation to prepare a minister's meeting attached to Eureka, Europe's high-technology research project. The Eureka ministers' meeting will be held November 5 and 6 in Hanover West Germany. The preparatory meeting of officials will in its turn take place 18 September in Bonn West Germany.

Taking part in this preparatory meeting are the Finnish foreign ministry's Assistant Secretary of State Paavo Karelehto and the director of the Center for Technological Development Juhani Kuusi, it was announced at the foreign ministry on Thursday.

Important for Steel Industry

Helsinki UUSI SUOMI in Finnish 2 Sep 85 p 21

[Article: "Eureka and Steel as Themes"]

[Text] There has been much talk in Western Europe this summer over two issues, which are actually the extreme poles of one issue.

One of them is Eureka. The technological retardation of this part of the world, it has been decided, will be taken care of. To the front lines of progress again, we will show the Americans and the Japanese!

The other is the steel industry. Numerous jobs need state support since the organizational changes did not go satisfactorily. After all we must protect our own interests!

When the ideal of the unification of Europe was a unspotted ideal, steel was at the core of everything, so important that it gave its name to the whole system. Finland too undersigned agreements with The Steel and Coal Union of Europe, and not with any shapeless EEC.

Now steel is perhaps the most infirm of all the economic trades, a twisted caricature subsidized out of existence, the best example of the stupidity created by selfishness and nationalism.

The Brussels machinery has decided to parcel out 3.2 billion dollars this year to keep alive out-of-date giant machinery working over capacity. Or can it even be called keeping alive, when the aid received by the steel concerns is about the same size as its business volume, as in the case of the Italian Finsider.

But that is exactly what Eureka should get away from, an unprofitable cycle past its time.

Still, largely the same people have lead the discussion on both Eureka and the steel industry. In Brussels they are holding on tooth and nail to national interests and a profitless sphere of production; in Paris they are shaping a common golden future on Eureka's wings.

The streams of money controlled by the parliamentary finance committee and the industry bureaucrats are not, of course, unambiguous issues. But it is clear that Eureka needs money and that the steel industry also needs money. Otherwise nothing new can be made, nor the old be gotten rid of. In addition, both are starting to be under time pressure. From which should we take away, to which should we give? Or is Europe after all so rich that it can afford simultaneous billions for the new brave and the old paralyzed technology?

An answer to these new questions has been sought cautiously. When it is found, the idea of Europe as a technological center will also be more than just pretty statements on paper.

12688

CSO: 3617/169

POLITICAL

FINLAND

SDP ALREADY SEARCHING FOR LEADER TO REPLACE SORSA

Helsinki HELSINGIN SANOMAT in Finnish 17 Sep 85 p 2

[Editorial: "Leadership Problems Concern for the SDP"]

[Text] The Social Democrats are tuning up for more serious discussions over their chairman than ever before during Kalevi Sorsa's tenure. The reason for that is his wish to withdraw from that position at the 1987 party convention. This intent to resign is no longer considered to be merely rhetorical as was the case prior to the 1981 party convention when Sorsa wanted a fresh beast of burden to pull the party wagon.

The discussion intensified last spring when Sorsa expressed anew his desire to depart. The party's provincial newspapers even conducted an opinion poll regarding possible candidates for a successor. But when the survey questions were directed at the whole population only about 60 SDP members were touched by the survey. Half of these supported Sorsa. In the event that he would decline Erkki Liikanen and Pirkko Tyolajarvi emerged as the strongest candidates. Matti Ahde was left significantly behind these two.

At the recent budget negotiations forecasts were formulated of a power struggle between party secretary Liikanen and cabinet minister Ahde for the chairmanship. Liikanen, however, refers to reports of a battle as a joke. "I am personally not interested in the chairman's position nor do I even consider myself suitable for it. I am much too lively and quick moving for such a task," he says.

Liikanen's admission regarding his own qualifications is exceptional in our country. It shows some healthy, critical self-evaluation which regrettably often is lacking in politicians. It also tells of an ability to correctly fathom the expectations a modern society has for the leader of a large political party, which could, for example, include a long term as prime minister.

Without a doubt Kalevi Sorsa has been the father figure his party has needed. Even in statesmanship circles he is esteemed beyond party lines. His position has been enhanced even though many Social-Democratic politicians his age or even younger, who were active in the 60's, have gone from politics to other endeavors.

Liikanen's wishes that Sorsa continues are understandable. Eligible candidates for succession who could be seriously considered have not yet emerged from Sorsa's shadow. Nevertheless they should be found in time so that a battle for the chairmanship wouldn't harm party support at the next elections. Therein lies a problem that even Sorsa will ponder over in earnest before making his final decision to withdraw.

13002

CSO: 3617/177

POLITICAL

FINLAND

MINORITY WING COMMUNIST NEWSPAPER ON CP FEUD, EFTA JOINING

Leadership Set 'Time Bomb'

Helsinki TIEDONANTAJA in Finnish 17 Sep 85 p 2

[Editorial: "Dissolvers Should be Isolated"]

[Text] The present leadership of the SKP approved a decision at the meeting of the central committee which set the time bomb of dissolution ticking. It is supposed to go off in less than a month.

The central committee has tried to present such a picture in public that their decisions have still left the "door ajar," which offer those powers defending the main policies and unity of the party still "an opportunity to return to the party line." This, of course, is nonsense. The ultimatum presented to the 8 district organizations had been prepared for dissolving them with full awareness of the fact that they would not be able to respond in a way that would satisfy the present leadership.

The ultimatum presented to the 8 district organizations is built entirely on false premises. It provides grounds for dissolution by labeling as "the opposition" -- as the most recent letter of the CPSU to the SKP notes -- the party organizations and communists, who express anxiety over the fate of the party and take a stand for party unity. Their activity, which is aimed at the realization of the party's main policy and its political decisions, their struggle for benefits for the laboring class, for the friendship of the SKP and the CPSU, the people of Finland and the Soviet Union, as well as the publication of communist newspapers, is declared to be "separatist activity," which presumably is in conflict with the party goals and interests.

On the basis of these accusations, demands are now being presented which, if consented to, would signify the approval of the decisions of the present leadership, which are contrary to the party principles, chief policy and rules; submission to the trampling underfoot of the rights that are in keeping with the rules, and leaving the party at the mercy of the liquidation policy.

After the twentieth meeting of delegates, vast amounts of evidence have been amassed about the activities of the present leadership against the party principles and main policy, e.g. against the political decisions and

the political decisions and rules of the twentieth delegate meeting. The recently exposed secret memoranda indicate the same. The attitude of the present leadership toward cooperation with the CPSU and toward the newest appeal by the CPSU are the freshest demonstration of the violation of the SKP's decisions.

Actually the task of the present leadership should not be so much to pose questions as to answer them. Does the present leadership intend to abandon its parallel activities against the party line and interests? And if not, does it have enough sense to relinquish its position before it does irreparable damage to the party?

It would be tempting to imagine that the present leadership, in driving through its dissolution decisions, had not taken into consideration the consequences of the decisions. However, the secret memoranda, among others, reveal that the consequences had been considered and notice taken of the serious weakening of the party and the SKDL; the damage to the relationships between sister parties had been anticipated and so on. The party membership has sounded the alarm over the damage the dissolution would cause to the national interests of our country, to foreign policy as well as to the Finnish-Soviet relationship; also the CPSU letter of the same date as the dissolution decisions reminded us of this. The making of the decisions immediately after hearing the CPSU letter manifests, in itself, the conscious and totally unconcerned dissolution line of the present leadership.

Since the negative results of the dissolution are known, since there is a crying need for a united SKP, and since the sister parties are appealing for unity, why does the present party leadership now wish to carry through the dissolution quickly and by any means? Shouldn't they, in such a fateful matter, turn to the party members and friends and allow them to express their will?

Shouldn't they now listen to them and not to those who oppose the party? And in addition to everything else, isn't it most cowardly to take away a united party from Finnish communists and workers without daring to submit the matter for their decision?

These are essential questions to which the presently party leadership cannot or will not give honest answers. Yet the answers have to be demanded without letup. Every member and friend of a party organization and party should now seize for himself the right to speak and decide that which the party leadership wants to deny them.

Now is the time for choosing: on behalf of unity or dissolution, on behalf of the party line or for rejecting it? There is sufficient material at hand to make the choice. No support to the dissolvers -- all resources on behalf of the party and election unity!

Helsinki TIEDONANTAJA in Finnish 19 Sep 85 p 2

[Editorial: "Finland and EFTA"]

[Text] On Tuesday the government made surprise announcement that it had decided already at the end of August to petition full membership for Finland in the European Free Trade Association EFTA this fall. Even the foreign affairs committee of the parliament was not informed of the matter until Tuesday. At this time Finland is an associate member of EFTA. The so-called Finn-EFTA agreement was made in 1961.

The decision raises questions. If the difference between associate and full membership in EFTA has shrunk to nothing, as the foreign minister Jermu Laine explains, then why bother petitioning for full membership at all? The explanation, according to which Finland thus wants to signal that EFTA must be supported, is hollow.

And what of the relationship between EFTA membership and the otherwise continuously increasing dependence on the West? It must be remembered that it is characteristic for the ongoing second phase of Western integration that EFTA and EEC come closer as organizations and make even more agreements between themselves than before. EFTA is trying, through its agreements with EEC, to avoid being left outside the EEC markets. Is the Finnish petition for membership to be interpreted as an attempt to get into the EEC markets through EFTA membership, and will the EFTA membership lead our country deeper into EEC than the EEC free trade agreement presupposes?

Full Finnish membership in EFTA fell by the wayside earlier due to foreign policy reasons. These reasons are no longer operative, according to Jermu Laine. It is true that Europe is no longer in the grip of such a cold war situation as it was a quarter of a century ago, that after the movement of certain NATO countries to EEC, EFTA is composed mainly of independent and non-partisan countries, and that a certain tension exists between Europe and the United States. But if the EEC linking functions in the above-mentioned manner, then isn't the petition for full EFTA membership a more serious move politically than the associate EFTA membership?

All in all, there are grounds to suspect that Finland's joining full EFTA membership is part of increasing our country's dependence, both economic and political, with the West. For this reason there is cause to submit the matter to critical scrutiny.

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POLITICAL

FRANCE

PCF'S GREMETZ WELCOMES PALESTINIAN CP DELEGATION

PM-31345 Paris L'HUMANITE in French 25 Sep 85 p 7

[Unattributed report: "Maxime Gremetz Receives Na'im al-Ashshah"]

[Text] At the PCF'S invitation, a Palestinian Communist Party delegation comprising Politburo member Na'im al-Ashshah and Hasan Asfur was received by Central Committee Secretary Maxime Gremetz, and Jacques Fath and Jacques Couland, members of the Central Committee foreign policy section bureau.

Na'im al-Ashshah described the situation now prevailing in the Middle East. He explained the problems which the Palestinian resistance and the PLO are now facing in their fight against the American plans and the attempts at separate settlements and to obtain the Palestinian people's inalienable national rights in the face of imperialism and the Israeli policy of aggression. He stressed in particular the importance of the questions relating to PLO unity for the success of the Palestinian people's struggle and the importance of the Palestinian resistance in view of the colonization policy pursued in the occupied territories where Israel recently brutally stepped up the repression by new administrative and military measures. These measures are aimed at preventing any strengthening of this resistance which is developing in the framework of a general rejection of the occupation by the people.

Na'im al-Ashshah also explained the class dimension and the economic and social stakes in the Palestinian question.

Finally, he stressed his party's determination and constant effort to unite the Palestinian people in support of democratic and patriotic objectives aimed at obtaining all the Palestinian people's national rights and, in particular, their right to establish an independent state on their land.

Maxime Gremetz explained the situation now prevailing in France. He re-affirmed the PCF'S solidarity with the Palestinian people and the PLO, their sole legitimate representative, within which the Palestinian Communist Party plays an important role.

He expressed the French Communists' desire to see the Palestinian resistance's regain its unity.

Maxime Gremetz stressed the PCF'S desire to take action for peace in the Middle East. The PCF advocates a comprehensive political settlement to the conflict including, in particular, withdrawal from all the occupied territories, Israel's recognition of the Palestinian people's national rights, including the right to create an independent state, the PLO'S full participation in any peace negotiations, recognition of the right to security of all states in the region, including the independent Palestinian state, Israel, and Lebanon, part of whose territory is at present still occupied by the Israeli army which is practicing severe repression there.

Maxime Gremetz stressed the importance of the role which France should play to contribute to peace in the Middle East, particularly resolute action to convene an international conference under UN auspices. He finally stressed the importance the PCF attaches to strengthening its relations and solidarity with the Palestinian resistance, the PLO, and the Palestinian Communist Party.

The Palestinian delegation expressed to the PCF its gratitude for its firm and constant solidarity with the Palestinian cause and the causes of all the peoples in the region.

The two delegations agreed to strengthen these relations, in the interests of the Palestinian and French peoples and of friendship between these two peoples.

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POLITICAL

ICELAND

EFFECT OF NEW LOWERED VOTING AGE ON UPCOMING ELECTIONS VIEWED

Reykjavik MORGUNBLADID in Icelandic 18 Sep 85 p 9

[Commentary by Staksteinar: "Young People Will have an Effect"]

[Text] Next year Icelanders will participate in local elections and the year after that in Althing elections. This fact, judging from what has been the case in the past, will have an effect upon what happens in Icelandic politics in coming months.

The voting age has been reduced to 18. This means that a large number of young people, considerably more than was the case for previous elections, will be going to the polls for the first time. Young people will in fact have an impact upon the next elections if things turn out as expected. Today Statsteinar will take a look at the matter.

Situation Regarding Younger Voters

Geir H. Haarde, the retiring chairman of the Association of Young Independence Party Members (SUS), expressed himself as follows in an editorial in STEFNIR: "Due to the lowering of the voting age to 18, in some respects more will be expected from the SUS in party activities than before. Judging from the public opinion polls, young Independence Party members are well positioned vis a vis younger voters, and it is important to shore up their position even more. There is no doubt that this will be done best through continued, strong propaganda efforts through the SUS, based upon efficient attention to business within the association itself. This will also be done to show and prove that within the SUS people dare take positions and stand up for their beliefs if need be, while they have, on the other hand, the courage to shoulder their political burdens.

My desire is that SUS should, in the coming years, be a source of ideas and inspiration in the activities of the Independence Party and at the same time a channel for new forces within the party."

The retiring chairman of SUS has raised a weighty issue here, one that the Independence Party should become aware of, namely that a large group of young people will be going to the polls for the first time in the coming local and Althing elections.

SUS Activities

The activities of SUS have been complex and lively between the 1983 and 1985 SUS congresses. To prove this we need only mention the efficient operations and conferences which SUS was responsible for during this period:

The Conference on Fisheries Issues held in Ytri-Njardvik in 1983.

The Conference on the Narcotics Problem, held in Reykjavik in February 1984.

The Conference on Agricultural Issues held in Borgarnes in April of 1984.

The Conference on Education Issues held in Akureyri in November 1984.

The meeting of the Independence and Social Democratic Parties and of the Alliance of Social Democrats on free television, held in May of 1984.

The Chairman's and Association's Meeting on SUS business held in Hella in November 1984.

The Conference on Welfare and Social Security held in Reykjavik in February 1985.

The Conference on Welfare, Health and Health Insurance Issues held in Reykjavik in March 1985.

The Conference on the Value of Nordic Cooperation held in Reykjavik in March 1984.

This by no means completes the list. It is sufficient, however, to indicate a complex range of activities by young members of the Independence Party. SUS publishes a versatile political periodical, STEFNIR, which exists to encourage young people to find out about things. Interest groups concerned with the most important issues of the present day work within SUS.

Political Parties Will Have To Pander to Young People

Three things are most important for young people: First of all, right to an education, to knowledge; and education is by far the best weapon in the struggle of individuals and of a people for existence. Secondly, the right to work: i.e. the right of each and everyone to utilize their education and abilities to create personal economic security. Thirdly, young people are interested in housing; i.e. in the ability of each individual (or family) to live in his own house and to live his own life.

We have been reasonably successful concerning aid to education, although support might still be improved on. There is more employment security in Iceland than in other countries, in spite of too much uncertainty in certain types of employment. On the other hand, there has been less success in housing in recent years, especially since the People's Alliance Minister of Housing deprived the housing finance system of the most important source of income, income taxes. Since that time the finance system has been incapable of meeting its credit obligations. The action of the People's Alliance Minister was an assault on the policy of personal ownership in Icelandic housing policy.

In all of these issues (access to education, employment and housing), a state of trust must be created between the Independence Party and young people, if the party plans to have a definite following of young people in the elections that are ahead of us.

9857

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POLITICAL

ICELAND

FINANCE MINISTER GUDMUNDSSON FIGHTS FOR BUDGET

Need for Austerity

Reykjavik MORGUNBLADID in Icelandic 19 Sep 85

[Interview with Icelandic Finance Minister Albert Gudmundsson: "We Must Struggle with the Accumulated Problems of the Last Fifteen Years"]

[Text] Under the leadership of their chairman the political parties are in agreement about certain limitations, which I have agreed to be bound by in drawing up the budget," said Icelandic Minister of Finance Albert Gudmundsson in an interview yesterday with MORGUNBLADID on the drafting of a budget proposal. "The policy that is founded upon these limitations means great constraints upon the taking out of foreign loans, which will be limited to the amortization of foreign loans. This in fact means an end to the accumulation of foreign debt," said the finance minister.

The Minister of Finance said that the agreement of the political parties on limitations also sets expenditures as a proportion of national production, which it should not exceed from year to year, i.e. 28.2 percent of national production. Here we intend to remain. In addition, we will also make a clear effort to achieve a deficitless budget, or at least a budget with a small deficit. "This is because we must struggle with the accumulated problems of the last fifteen years, more or less," said Albert Gudmundsson. "And some time we must acquire the courage to deal with these problems."

Gudmundsson said that the budgetary limitations are, to be sure, very strict but that the parties have nonetheless agreed to endure the difficulties that such a budget will entail even though it is realized that it could cost them popularity and be at the expense of individual items supported by individual members of the Althing.

"It is very much an austerity budget, and although there are areas of controversy within it, there is no disputing that the time when one has to pay one's debts must come sooner or later. "I, as minister of finance, would come

to grips with that reality and do what I can to set forth austerity measures, instead of ignoring the problem and forcing some successor to my office to struggle against still greater problems," said Gudmundsson. The Minister of Finance said in conclusion: "I would have unquestionably preferred that discussion about the budget in general begin first in the Althing, when a fully formed budget has emerged from it. Icelanders are, however, impatient and discussion of the budget has already begun, even though people have not considered all points in the budget proposal. I emphasize, on the other hand, the need for people to realize that we are struggling against problems that cannot be solved except through the collective efforts of the Icelandic people.

Threatened Resignation

Reykjavik MORGUNBLADID in Icelandic 21 Sep 85 p 2

[Article: Threat Had no Effect on Our Position"]

[Text] Icelandic Finance Minister Albert Gudmundsson threatened the Progressives in the government with a proposal to the Independence Party Althing delegation to leave the coalition if the Progressives did not approve those budgetary constraints that he had offered. He did so with the knowledge and approval of the chairman of the Independence Party, Thorsteinn Palsson. MORGUNBLADID has learned this from reliable sources.

When MORGUNBLADID went to the Minister of Finance yesterday and asked him about his threat to resign, he said only: "I would rather not discuss the matter. Good agreement between the two political parties and the government has been achieved, and I have nothing else to say about the matter."

Prime Minister Steingrímur Hermannsson was asked yesterday whether or not the threat of Gudmundsson to resign was the reason why the Progressives approved the budget proposal of the finance minister: "Gudmundsson and two other Independence Party ministers came to see me and Gudmundsson then made his threat. This is not the first item that he has threatened to resign. His threat had no influence at all upon the position of us progressives because the fact is that the bases for the budget changed after that, so that I cannot tell whether or not the minister of finance was more serious about this threat than in the past. Gudmundsson offered proposals that we could not accept, first and foremost the proposal on a 12 percent sales tax on food. It would be better for the government to fall than to establish a sales tax on food."

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POLITICAL

ICELAND

FINANCE MINISTER ALBERT GUDMUNDSSON PLAYING KEY POLICY ROLE

Copenhagen BERLINGSKE AFTEN in Danish 23-29 Aug 85 p 6

[Commentary by Egon Balsby: "He Would Hardly Survive in Any Other Western Democracy: Minister Iceland Style"]

[Text] Iceland's finance minister--former professional soccer player Albert Gudmundsson--is playing his own totally characteristic game in Iceland politics. At the same time as he looks after the country's finances with the utmost strictness, he tosses himself into one scandal after another. The voters love him, but his opponents characterize him as a politician with a "merchant's heart."

Rejkjavik: In international soccer arenas he was an absolute soloist. The tank center forward, who went his own way--directly toward the goal--and often with great success. He made life uncertain for opponents in a number of European countries when he for 10 years--up to 1954--played for a number of major European clubs, from the Glasgow Rangers, the Arsenal club, and via a number of French clubs to the A.C. Milan major club.

When his soccer career was over, he returned to Iceland and with the soccer money and an earlier 2-year business education as ballast, he began a new career on another track--business.

His many international connections--and a nose for chances--resulted in a rapidly growing business--importing wine, alcohol, automobiles and industrial equipment--and he soon became a well-to-do man. For this reason it was natural to seek a third career--a political one. Not least in Iceland, where money power and political power are inextricably tied together in a more direct way than in any other Western democracy.

The Finance Minister

He is called Albert Gudmundsson, he is 61 years old today and he is Iceland's finance minister--and one with a style of his own.

On the Iceland political scene he stands out today as a most colorful figure, who with peculiar discharging of his office and political conduct arouses

enthusiasm, indignation and irritation among supporters and opponents, respectively, in the political world.

As a member of Iceland's broadest and strongest party--the Independence Party--outside of which there can be no government on the island of the sagas, Albert Gudmundsson is in a secure position which problem-free has legitimated a number of scandals which would hardly have allowed him to keep his post in any other democracy.

As the foremost representative of the new liberalism, which has not found a more pronounced form in many other places than in Iceland, he romps about with proposals which would give the National Auditing Office nervous twitches and statements which make the Danish extreme right wing appear as warm-hearted idealists.

Albert--as he prefers to be called, and which is the name of the biography which appeared about him in 1982--showed his special political discernment for the first time immediately after he took office in 1983.

A bunch of young people--including his son-in-law--took the refreshing initiative to start a traveling carnival. Unfortunately the Icelanders failed to appreciate the good idea. They did not come in the numbers expected and financial problems quickly knocked on the door.

However, rapid intervention on the part of the finance minister relieved the financial pain, when he dictated freedom from the value-added tax for the enterprise. Intervention which amounted to an indirect subsidy of a couple of million Icelandic kroner. Then the press asked the natural question whether the finance minister would have been just as magnanimous if his son-in-law had not been involved. Typical of Gudmundsson's habitual way of reacting, he showed a surprised face and replied, "Oh, was he part of it?"

The New Liberalist

After this the affair was quickly forgotten.

As the true new liberalist he is, the finance minister wholeheartedly advocates personal initiative, and this is true not least of his own right to conduct his quite private wage policy with the State's money.

A party colleague defines the finance minister's political idea basis and objectives as "the ability and chance to help the private individual--though in the longer term to help oneself."

It is known in Iceland that Albert's special delight is to help people who approach him directly. On several occasions he has, after listening to a tale of woe from a public employee--grabbed the telephone and dictated to the salary department that this one and that one should have a "deserved" raise.

This is of course popular, especially among those who are helped, and it supports the picture of the finance minister as the "people's friend,"

which he is distinctly interested in. That he already holds the position is evident from the fact that he is the Independence Party's biggest vote getter, and in the 1980 presidential election--in which he of course ran--he collected over 25,000, or 17 percent, of all votes cast--however, without winning, of course.

The Brusque One

Contributing to his obvious national popularity is the often brusque manner in which he meddles in any political debate which suits him. That this also results in directly political ways of presenting the problem apparently does not affect the finance minister.

Most problematically enough, when he as a direct negotiating party during the strike of 1984 used the following wording regarding public school teachers' salary demands: "It is not my view that people who work only 45 minutes per hour and 9 months a year have merited a higher salary."

Of course, the statement poisoned the negotiation climate and it was only direct intervention by Prime Minister Steingrímur Hermannsson which rescued the country from a general strike and the government from a serious crisis.

For the finance minister the matter had the consequence that he--quite uncustomarily--was forced to eat his words again from the Althing's [Parliament's] speaker's chair.

On the other hand, there was no reaction when during the same strike he arrogated to himself the power of justice minister. The strike also included all journalists in Iceland, and in this medialess period a number of illegal radio transmitters popped up.

Among others, one operated by the Independence Party's youth division. It broadcasted from the party's headquarters, which in popular speech is called "Albert Hall," because the finance minister laid the foundation for his political career when in 1965 he was the prime mover in raising money for the big building.

Refused Admittance

When the police--after a long delay--wanted to take measures against the illegal radio transmitter, the large police force was met at the door by a brusque finance minister, who simply refused the uniformed force admittance to the building.

He could do this, since during this period he was acting communications minister and maintained that he had at no time called the uniformed police.

The police respectfully withdrew and first got their mission accomplished several days later.

But not as a result of any heated public debate, but in light of a friendly conversation between the finance and justice ministers.

The finance minister's private financial interests also have a direct influence on the active man's political moves.

At the moment he is debating publicly with colleague minister and party associate Geir Hallgrimsson.

A couple of weeks ago the finance minister directed harsh criticism at the situation that the American base at Keflavik imports large amounts of meat from the USA.

With the law in his hand Albert Gudmundsson demanded that this practice be stopped. He referred to the risk of foot-and-mouth disease and at the same time criticized the duty-freedom which covers this practice.

Geir Hallgrimsson countered the arguments and referred to the fact that it is the Foreign Affairs Ministry which regulates relations with the Americans at the base.

The debate is still going on and the finance minister has scored a number of points--in part among those farmers who are hoping that they instead will deliver meat to the base, and in part among those Icelanders who are against the Americans' presence in the country.

The matter is of course irritating to the foreign affairs minister--who more than anyone else is the country's guarantor for NATO.

Private Interests

On the other hand, political observers realize that the matter will never go further, and this was also never the intention on the part of the finance minister.

However, his move must be seen as the latest move in another conflict with the USA.

Last year the Americans demanded--after pressure from the Seamen's Federation--that all shipping of American goods from the USA to the base in Iceland be taken care of by the Americans.

This is unfortunate for a number of Iceland shipping companies which up to then had been in charge of the lucrative business.

Including the Haffskib Shipping Company, whose board chairman until 1983 was called Albert Gudmundsson.

He resigned from the shipping company when he became finance minister, but he still has financial interests in the firm, and he acts as chairman at the shipping company's annual general meetings.

And it is in light of this that he believes it is opportune to have a debate which will involve party associates, colleague ministers and NATO partners.

These, as well as a long list of similar episodes, show a man of a slightly peculiar political nature. Author and Journalist Gunnar Gunnarsson who wrote the biography "Albert" says that Albert Gudmundsson's unchallenged activities, however, say something first and foremost about the "incredible patience of Icelanders."

Other observers say that Gudmundsson's fundamental character trait is unlimited confidence in his own abilities.

In the book "Albert" he himself gave the following characterization of himself: "I think and act more quickly than the others. At the negotiation table I experience again and again that I have found a solution when the others are beginning to think."

To Read and Write

However, this self-assessment is not shared by everyone else. A former Alting president questioned whether the finance minister is at all able to write when he himself claims that he at any rate never reads.

It is certain that he never expresses himself in writing, and observers maintain that his contribution to the formation of political ideas is very limited.

In the Independence Party he is regarded as being isolated in the sheerly political sense, but nevertheless there is no one who dares to touch him--in spite of the growing number of scandals.

This is of course associated with his voter appeal, at the same time as he really quite suitably represents the government's new liberalism goal.

Some see his political maverick status as an element of the clash between Iceland's "new rich" forces, represented by the finance minister, and the old families, represented by Geir Hallgrimsson, which have continuously dominated Iceland politics.

However, this hypothesis is rejected with indignation by a political journalist, who claims that the finance minister "does not have a political thought in his head,"

On the other hand, others think that the finance minister is being used by the party's political leadership as a bulwark of the defenses which have been set up for the moment to prevent a generation change in the party.

Tightened Controls

Before the 1983 election, Foreign Affairs Minister Geir Hallgrimsson gave up his chairmanship in the party to the younger dynamic ex-director of the Employers Association, Thorsteinn Palsson.

However, he has not been able to place himself in a central position in Iceland politics, but has also not had the opportunity which the position should give access to.

When Geir Hallgrimsson at a nomination meeting in the party before the election received only seventh place on the party's candidacy list and then at the same time lost in the Alting election, most expected that the generation change in the party had become a reality.

But Geir Hallgrimsson ignored the voters and tightened controls in the party and let himself be made foreign affairs minister.

This evoked both surprise and astonishment, for it violated the principle adopted hitherto that the party leader of the Independence Party is the obvious person for a post as either prime minister or foreign affairs minister.

Whether Albert Gudmundsson will be a further active participant in this generation conflict is not known for sure. That he is playing a major role is hardly probable according to an observer who describes his political life with the following soccer picture: "From his time as a soccer player he was accustomed to applause from the public when he scored. He still behaves as though he is playing soccer and unfortunately he thinks that he scores all the time."

8985

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POLITICAL

NETHERLANDS

DISSENSION, FRUSTRATION AMONG SURINAMESE EXILES

Amsterdam DE TIJD in Dutch 6 Sep 85 pp 8-18

[Report on interviews with Surinamese resistance leaders Chin a Sen, Andre Haakmat and others: "Resistance, Treason, Reconciliation"; in Amsterdam, dates not given]

[Text] When the Surinamese resistance is in the news, it is often because of incidents--quarrels, attacks and weapon finds--and meanwhile the focus on the anti-Bouterse movement in the Netherlands is getting thoroughly obscured. A report from the quagmire: Haakmat's little schemes, messages from Paramaribo, firing practices and Gandhi versus Dracula, the approaching departure of Chin a Sen and the Moluccan scenario.

"The Bouterse regime needs enemies to draw attention away from its own failures," says Henk Chin a Sen.

These are the words of the former prime minister of Suriname, who has been the unsalaried resistance leader in Southeast Amsterdam for 2 1/2 years. Not too long ago Paramaribo was full of posters with his image. On it, he was portrayed as a vampire with a dollar sign over his head. A grotesque extortioner, a mercenary from the United States--that is how Desi Bouterse unmasked his former first citizen as an enemy of the revolution.

Henk Chin a Sen smiles at the anecdote.

Recently he was in the news because Paramaribo was said to have sent a "murder commando" to the Netherlands in order to prepare his early funeral. Right afterward, Army Commander Bouterse asked the Dutch Government to clarify the reports. Bouterse was very surprised--curiously enough not so much because he had been connected with murder missions, but because Chin a Sen has been mentioned as a target. And the commander stated most graciously that Chin a Sen, "once my best friend," had nothing to fear from him; he did not form /any threat whatsoever/ to Suriname.

From Enemy of the State number one to harmless ex-friend; that is the opposite of what a resistance leader dreams of as his career. But Chin a Sen smiles. "The resistance treads a narrow path," he says.

Battle for Power

Chin a Sen's position was more comfortable at one time.

When on 8 and 9 December 1982 the military power had executed 15 formidable opponents during escape, the sadness and anger were sufficient to get all of Bouterse's critics behind one cause: Suriname had to be liberated from the military terror.

Under the leadership of Andre Haakmat, Surinamers in Amsterdam established the Eight December Movement. This organization persuaded Chin a Sen to place himself at the forefront of the resistance against Bouterse. Whoever had objections to Chin a Sen swallowed them because the goal dictated unity. Only the leftist Surinamese organization LOSON kept aloof; it was opposed to both Bouterse and Chin a Sen, who, after all, had been at Bouterse's side for a long period of time. And naturally the Bouterse fans in the Netherlands also stood aside. Even before the Council for the Liberation of Suriname became a fact, they had already formed the resistance against the resistance in the form of an organization with the grandiloquent name League of Surinamese Patriots.

Thus opposition against the government in Paramaribo was almost unanimous, at least from the outside. Within the resistance a struggle for power has been waging from almost the very beginning. Mr drs Haakmat, a top minister under Bouterse and Chin a Sen, a political juggler and specialist in clever schemes, designed "on request" a structure for the organization of the resistance. The plan outlined a "political" liberation council under the leadership of Chin a Sen along with an "executive" council. Not everyone in Haakmat's surroundings was surprised when it turned out that Haakmat was to occupy the post of secretary general in that executive council. The scheme amounted to Haakmat taking responsibility for the liberation of Suriname and Chin a Sen being permitted to cut the ribbon on the quay of Paramaribo when the time came.

Haakmat, now an attorney in Amsterdam, explains that he did not covet the post of secretary general, but that others determined that he ought to take that serious responsibility upon himself. "Agreements were made with Chin a Sen on that division, but he did not stick to those," says Haakmat.

Chin a Sen on this: "Most of the supporting groups did not want to include Haakmat in the council. Then he came with a plan in which he became secretary general and thus could attract all the power to himself. That was not accepted."

And next? "Then I thought: I'd better be wise," says Haakmat.

"Back by Christmas"

The liberation council set to work. Chin a Sen could regularly be found on intercontinental flights. He tried to find support in the struggle against Bouterse and attempted to get Bouterse's regime diplomatically isolated. Bouterse, too, often got on an airplane. The international support he sought

was primarily of a financial nature. Neither of them booked impressive successes.

During the course of 1983 strikes broke out in Suriname which almost brought the military to their knees. The liberation council did not know how to take advantage of that. The council had no strategy, had too few contacts in the country, and was surprised by the actions. Bouterse remained in power. But it cannot last much longer, Chin a Sen cheered. "By Christmas I'll be back in Suriname."

Instead, it was the Bijlmermeer [Amsterdam suburb]. Meanwhile impatience increased in the ranks of the liberation council. But what could be done? Chin a Sen had promised the Dutch Government that the council would respect the Dutch rule of law in its actions and, therefore, would not prepare an invasion in Suriname. According to Haakmat, Chin a Sen had made that promise of his own accord, a "concession" which resulted in considerable criticism of him in the council.

Haakmat says that subsequently a little plan was thought up in the council. "A division of work was agreed upon. There was to be a /shadow council/ which would prepare military actions against Bouterse. I was charged with the coordination of those plans, and Chin a Sen would continue to lead the legitimate council. That agreement was made with Chin in the presence of witnesses."

[Question] What's that now? Did Chin a Sen speak with two tongues when he promised the Dutch Government that the council would refrain from such actions?

Chin a Sen, curtly: "An underground council? I don't know anything about that." And those agreements cited by Haakmat? "No agreements were made with me."

Haakmat explains that subsequently he was brought into contact with a Captain Van Haperen, who was willing to give a hand to the Surinamese resistance. Hindustan financiers, according to what middlemen told Haakmat, were willing to pay for an invasion if Chin a Sen agreed to it. At that point Haakmat got lost, in his own words. Gerard van Westerloo and Elma Verley (VRIJ NEDERLAND) already revealed once what happened subsequently: Twice Van Haperen prepared the resistance for an invasion which did not take place, then he disappeared without a trace (except for one trace which led to a major in the Counter Intelligence Service) having unburdened the resistance of three hundred thousand guilders and two illusions.

Dracula

In spite of the failure of these touching adventures, impetuous representatives of the Surinamese resistance readied themselves once again for an attempt to drive Bouterse out of Fort Zeelandia. Once again one leaned on an obscure individual, this time adorned with the name Dr John, a type of labor broker who trafficked in mercenaries. Sixteen Surinamers landed in Suriname's neighboring country French Guyana and started such diligent firing

practices that they were picked up within a short time and put on a plane to Amsterdam. That happened in the spring of 1984. That time too, people from Chin a Sen's liberation council had actively participated in the battle against the dragon, against Dracula, Chin a Sen's pet name for Bouterse.

Chin a Sen granted uncomfortable interviews on the non-violent strategy of the liberation council, a strategy which was still intact, even though it could not keep individual members from testing their own ideas. Thus it was something which did not have the council as a whole behind it, but for which understanding was required--hence, the tortuous ways in which a resistance leader tries to cope when he finds he no longer provides leadership to a resistance which doesn't know how to resist.

Dracula himself meanwhile saw his way clear to organize a campaign which was to increase fear of an invasion of wildly shooting revanchist adventurers and about 10 million dollars worth of arms for the protection of his revo--pardon me; the peoples' revolution.

And there was someone else who smelled his opportunity. Andre Haakmat. For over a year he had calmly watched how the liberation council became divided, Chin a Sen's strategy of isolation remained fruitless, and counter coups stranded in naive amateurism. Then Haakmat decided it was time for his reentry. He invited the press for a briefing and proclaimed the /Amsterdam Peoples' Resistance/.

His analysis was as follows. A violent overthrow of the regime in Paramaribo was no longer feasible in 1984. People were tired of violence, the opposition was hopelessly divided, and the government had consolidated itself to some extent. The pressure tactic of suspending the Dutch development aid had also failed; it had made Bouterse more stubborn instead of more sensitive to the return of the democratic order in Suriname. However, there was still room for a /dialogue/. Stronger yet: Haakmat had received "signals" that Bouterse was prepared to have a dialogue with his opponents.

Haakmat: We sent a fact finding mission to Paramaribo. It reported that Bouterse saw a basis for further discussions in our plan. Bouterse had sent along a personal message for me: he needed at least 6 months to straighten out things in such a way that it was justified for me to return to Suriname."

Did the "signals" received by Haakmat possibly consist of a request by Bouterse to Haakmat to come and give him a hand in Suriname? Haakmat hesitates for a moment and then says: "He requested that, yes. He sent a messenger to me, Sergeant Sammy Monsens. We had an amicable discussion in the Okura hotel. However, it turned out he was unable to make any concessions. Everything would have to be discussed over there."

What was the wording of the message brought by the sergeant? "I would have to occupy my indispensable place in the revolutionary process."

And what was the message the sergeant took back with him? "Tell your commander: if you send someone shopping you have to give him money, and you are here without political bargaining money."

Dwarfs and Comics

Several other messengers traveled between Fort Zeelandia and Haakmat's office on the Laireesse Street, but ultimately the Amsterdam Peoples' Resistance decided to suspend the dialogue. There are some Surinamese Suriname watchers who think that Haakmat broke off because Bouterse left too few openings for his comeback into the center of power in Paramaribo. But that is only backbiting, of course. Haakmat says that the dialogue was suspended due to indignation over new violations of human rights in Suriname and that it will remain suspended until Bouterse has sent new "signals."

[Question] Why would Bouterse make concessions to you? What would the advantage to him be?

[Haakmat] "He is unable to achieve what he says he wants. Then it could make sense for him to look for new alliances and new individuals."

[Question] After all those changes in government, he now has to put up with the third tier. That bothers him and he needs you.

[Haakmat] "That bothers him terribly. No matter how strong your position is, it is others who have to make it come true for you. If they are unable to do it, it will drive you crazy."

[Question] In the course of time considerable know-how has ebbed away.

[Haakmat] "One should not underestimate that. In the most difficult time of its existence, Suriname has to make do with third-tier rulers. Political dwarfs and comics determine the political field there. Otherwise I don't see why Bouterse would be interested in a dialogue."

[Question] You are prepared to help him under certain conditions.

[Haakmat] "The nucleus of politics is: to want to exercise influence. Who denies that is a swindler. My ideal is to help bring about a democratic, social constitutional state. The question is where and how I can best work on that ideal."

[Question] And you are prepared to risk your political reputation for that?

[Haakmat] "One always does that in politics. He who is unwilling to risk his political reputation should become a poet or fisherman."

[Question] When will you be back in Paramaribo?

[Haakmat] I am very contentedly practicing law here, and I think that will continue for a while. And look, I also have a personal problem. He has murdered some very good friends of mine, the best friends I ever had in my life. That is a personal obstacle to working with him."

[Question] An unsurmountable obstacle?

[Haakmat] "I think so. The state must remain ruled, and I will do anything in my power for that, but together with Bouterse, no, I can't do that to my good friends. The country is in an impasse, and it can't go on like that. Perhaps I can help the country. But I would not be able to be in an arrangement with Bouterse, my conscience absolutely forbids that step."

Trojan Horses

Thus it looks as if Haakmat is thinking about a return to Suriname politics, now in a role-at-a-distance, but still a role which offers him the opportunity to push Bouterse off his throne. Haakmat: "Bouterse ought to abandon his ambition to be the leader of the people. In my view a gradual transfer of power is needed. The greatest misery Bouterse could cause would be to suddenly pack up and disappear. That could result in Lebanese conditions, after which the army would again feel obliged to take over the power within a very short period. There is so much rivalry in Suriname politics--people can't work together there; the emotional factor blinds understanding. It is precisely that rivalry which so far has paved Bouterse's way."

That option of Haakmat turned out to be an obstacle to a further dialogue between Bouterse and the Amsterdam Peoples' Resistance. Bouterse needed help, but not to the extent of being willing to have the Trojan horses brought in. Moreover, it remains a question to what extent the Surinamese people are waiting for the return of the former deputy prime minister. Haakmat is not very well liked. His preference for little schemes has earned him ill-repute as a plotter--a plotter hunting for the throne.

Chin a Sen calls Haakmat's Peoples' Resistance "one of the disruptive elements" in the anti-Bouterse movement. "I have often wondered what resistance deeds his resistance group has actually accomplished. I don't find any. It is not a resistance group, it is a group which wants the power."

At the radical refugee foundation Makmur in Rotterdam, which forms part of the liberation council, they spit fire when Haakmat's name is mentioned. Treasurer S. Rasam: "You can do me a great favor by writing that the greatest catastrophe for the resistance is the fact that Haakmat's group calls itself a resistance group. Haakmat is nothing but a /collaborator/ of Bouterse. He is trying to undermine the liberation council."

Actually, there is not much left to be split or undermined in the liberation council, where a unanimity prevails similar to that related to the Tower of Babel in the past. Andre Haakmat: "It is a political mess there. Every member of the council speaks a different language. Chin a Sen is unable to bring about unity--just as he was unable to do so when he was prime minister. He is a kind, good, brave doctor, but he really ought to attend the political kindergarten once."

And what is his comment as to his own touching conversion from invasion leader to reconciler, a conversion which others label as /treason/?

Haakmat, serious: "One should not always cling so tenaciously to antiquated standpoints. You must dare accept different ideas. That is a question of intellectual integrity."

Oil Sheikhs and Explosives

Resistance, treason, reconciliation.

Whether Rob Wormer was also bothered by his intellectual integrity is doubted in Surinamese circles. His conversion was even more curious than that of Haakmat. For a while Wormer, at the time a member of one of the supporting organizations of the liberation council, made the most vivid attacks on Bouterse--until he visited Suriname together with his permanent companion Tjon Wolf, who later was to gain national publicity through a fist fight broadcast on TV. Breathless with admiration for the achievements of Bouterse and his associates, the duo returned from Paramaribo. "Never before was so much being done in Suriname in the interest of the people," Wormer had discovered.

Just over 1 month ago Wormer had something else for the media. A new discovery. The interest of the Surinamese people was now being /undermined/ through greed for profit and power, which forced him to change his course. Wolf did, however, still support Bouterse.

Chameleonic actions, fights, contradictions, accusations, torture, arson and attacks appear more often in reports on the Surinamese resistance than militant deeds, which also hamper the goal of the struggle. The most recent incidents concern a weapon find in Rotterdam and a series of arrests following that. Five Surinamers are being held still now in connection with that weapon find. Among them is Salem Paul Somohardjo, chairman of the Makmur refugee foundation and, in that function, a member of the liberation council.

In the council Somohardjo represents the radical wing of the anti-Bouterse movement in the Netherlands. In interviews he likes to mention firing practices, support from oil sheikhs, training sessions with explosives, and contacts with anti-Castro Cubans; these are all signals to Bouterse that he should not consider himself to be completely safe.

Since his arrest, Somohardjo has not given any interviews. His colleague board member S. Rasam is willing to clarify Makmur's position. "We have gradually become immune to the official line of the council, which says that Bouterse must be overthrown through diplomatic and economic isolation. We no longer believe in that. Bouterse himself has stated too often that he can only be /gunned/ away from his position."

[Question] Is that a solution for you?

[Somohardjo] "I would not regret it if that should happen."

[Question] And do you think you might help a little in bringing about that solution?

[Somohardjo] "Not might, but must."

[Question] What part of the Surinamese community would share that opinion?

[Somohardjo] "Of every ten people I meet, at least six no longer see any sense in isolation."

[Question] Do you think that mood is increasing?

[Somohardjo] "It is increasing considerably. The council is being more and more criticized on its non-violent strategy."

Gandhism

Last December the liberation council held its first congress. The controversy between doves (including Chin a Sen) and hawks (including Somohardjo) flared up intensely there. It led to a resolution which may be seen as a defeat of Chin a Sen. The congress concluded that "the resistance must intensify and toughen" the methods employed thus far and decided to recommend that "the Council of the Liberation of Suriname should utilize any possible means to accelerate the liberation of our country and people."

Chin a Sen? Violence against Bouterse after all? Chin a Sen finds that a "malevolent suggestion." "It does indeed say 'any possible means,' but it also says that that signifies an intensifying of the 'methods employed thus far.' And those methods fall under the non-violent strategy."

[Question] You don't have an easy task.

[Chin a Sen] "The official line continues to be non-violent resistance. But the current which wants violence is getting more and more followers and its image is becoming stronger and stronger. I have been accused of Gandhism; supposedly my strategy is not realistic. I hope that the militant people won't implement their ideas."

[Question] Why not?

[Chin a Sen] "We want to break through the spiral of violence. In the means we employ, the goal must be recognizable. It makes no sense to replace /Dracula/ with /Frankenstein/. Bouterse also started out with the best intentions at one time. I saw him become drunk with power. Perhaps the Chinese are right and power is like salt water: the more you drink the more thirsty you become."

[Question] The resistance offered thus far has failed.

[Chin a Sen] "I don't know that. The regime is encountering serious problems. The economy has been reduced to rubble. The military have not succeeded in getting the people behind them. Only something minor has to happen in order for dramatic changes to take place in that country, I am still optimistic about that."

[Question] Do you sometimes think of Manusama?

[Chin a Sen] "You risk the danger of remaining outside of Suriname your entire life. But being successful is not a condition for continuing with the struggle. That image of Manusama is not a deterrence to me. I have, however, on several occasions been on the verge of withdrawing from the front lines. Because the pressure on my family became too great, because I also have other responsibilities, such as earning a living. Now we are using up our reserves, and those are finite, of course."

[Question] Just as your function.

[Chin a Sen] "I imagine that if this lasts too long, my place will be filled by others. My role is of a limited duration. At any moment I could say: now I'm going to do something else."

[Question] Undoubtedly that is less a question of years than . . .

[Chin a Sen] ". . . than of months, indeed."

Around the Quagmire

How are the actions of the resistance judged outside of the circles of Chin a Sen, Haakmat and Makmur?

John Asam, spokesman of the Surinamese Laborers and Workers Organization, [SAWO] which is the continuation of LOSON, hesitates emphatically when he is asked for comment. Under no condition whatsoever does he want the SAWO to be grouped under the resistance, which he characterizes as a collection of individuals with borrowed power who prefer to be around the quagmire.

"A battle is taking place between the camps of the moneyed classes. None of those groups represent the common people. I blame the resistance and its adventurous ideas for inspiring people to unjustified actions, which provided Bouterse with an alibi to strengthen his repression. In Suriname one is now realizing that the resistance does not form as great a danger as is sometimes suggested. And the liberation council also has had to swallow its expectation of a rapid liberation of Suriname; that turned out to be a fata morgana of a defeated elite. Now defeatism is arising in those circles, of course, but in the Surinamese people the faith in the possibilities of change still exists. The regime has occupied a weaker and weaker position since the December murders and an alternative for this regime is needed more and more urgently. But people such as Haakmat and Chin a Sen don't exert any real influence on that process."

Another sound, a cautious sound, comes from Dr E. Waaldijk, a retired sociologist who worked for a long time in the diplomatic service for Suriname. Together with Dr J. Sedney, ex-president and ex-director of the Central Bank in Suriname, he drew up a plan to gather the various little resistance groups into a federation which could serve as a discussion partner for both Bouterse and the Dutch Government. Haakmat did not react rejectively, Chin a Sen did, and the plan is considered failed.

Waaldijk: We wanted to point out to the gentlemen that some coordination could promote the effectiveness of the resistance and possibly offer a better prospect for a result." And another, similarly streamlined, /understatement/: "With all due respect, we also wanted to bring up the question with what mandate the various groups are actually working."

In other words, the resistance doesn't really mean much?

Waaldijk: "It would be presumptuous of me to hold such an opinion."

Mafia

A third observer is Ludwich van Mulier, the leader of the pro-Bouterse League of Surinamese Patriots. To be more precise, he carries the rank of /secretary-general/.

"Oh, it will simply disintegrate," Van Mulier dismisses the resistance. "Haakmat and Chin a Sen; the lame leads the blind. When they had the power in Suriname, they didn't use it and now they are failing in the resistance. The latter really exists only by grace of the Dutch media. At their congresses, 80 percent of those present are press representatives."

A little later the subject of the liberation council does, however, put the secretary-general into a state of excitement. "All of those people are millionaires; they swim in money, all Surinamers know that. It's a Mafia, I'm telling you. They ran off with the money of the state. An oligarchy of capital interests which wants to control the Suriname treasury again. Revanchists."

When the discussion touches on the Guyana expedition, Makmur and the weapon finds, Van Mulier becomes intimate. "I'll tell you something--you can probably use a scoop. If the Netherlands doesn't actually curb the whims of the resistance, it is not improbable that Suriname will send Ambassador Van Houten on his way. And if the economic boycott takes place, serious consideration will be given to breaking all relations with the KLM [Royal Dutch Airlines]. I fear that we are steering toward a low point in relations. I have just returned from Paramaribo: those rumors abound in the policy circles there. Economically things aren't going well for Suriname, but if the ship of state really goes under, it will only be after some very good blows have been struck first."

Waiting for Each Other

Chin a Sen, when asked for an evaluation of the achievements of his liberation council, notes some successes and disappointments. The council has been able to keep the Surinamese problems in the news, including at the international level, has built up an intelligence network in Suriname, and has succeeded in coming up with a news bulletin--even though that latest "success" is extremely new, the first bulletin is coming from the printer that very day. Moreover, development aid still has not been resumed--perhaps a borrowed success, but there had been strong lobbying against resumption of the aid.

The greatest disappointment for the council was the fact that the resistance did not take root in Suriname itself. Chin a Sen has great understanding for the fact that people in the micro state Suriname, where everyone knows everyone, don't stick out their necks, but he had counted on more campaigns against the military. On the other hand, the Surinamese opponents were waiting for the actions of the liberation council. Thus they were waiting for each other, Chin a Sen admits.

People such as trade union leader Fred Derby, of whom Chin a Sen had expected something, accepted collaboration with Bouterse. In the Netherlands the resistance rapidly divided, and a large majority remained apathetic. "People find their niche here. They are absorbed into society. The part which would want to return to a liberated Suriname is continually decreasing. The longer it takes for the liberation, the more people lose their motivation to return.

Finally: "We received little support from democratic governments, and at times I have wondered whether democrats actually have the courage to fight for their principles. Those are professed orally, but meanwhile the liberation movements are seen as troublesome. Democrats lack the *elan* and *drive* with which religious fanatics and ideologically motivated people defend their views."

Moluccan Scenario

Since we are talking about *elan* and fanaticism anyway, the ideas of Salem Paul Somohardjo should be noted once more. On various occasions the rising star of the Surinamese resistance has warned the Dutch Government about the possible results of easing relations with Suriname. With regard to a potential resumption of the development aid to Suriname he said to DE VOLKSKRANT: "If Bouterse gets new aid from here, I don't know what will happen. I hope that the sky remains clear then, and that no Moluccan conditions (. . .) will result. Then we turn against the Netherlands."

Haakmat points out the radicalization in Suriname circles which, if rapid successes are not forthcoming, might result in acts of desperation against an enemy within reach. "Look what happened with the Moluccans. What was the sense of a train-hijacking? It was an act of desperation. I don't expect a */Moluccan scenario/* for the Surinamese resistance, but I don't have much certainty. When will the moment arrive that some little groups want to put the Netherlands under pressure? What should one think of those statements Somohardjo made? Take the development aid, for example. States cannot continue to live in enmosity. But if relations should start thawing, you have a group of people in whom you have created high expectations and who will feel abandoned. Politicians who want no part of flexibility with respect to aid to Suriname, ought to realize the extent of expectations they are creating and perhaps the extent of disappointments they are preparing."

Chin a Sen on the "Moluccan scenario": "That possibility always exists, of course. If the conditions for resumption of aid are dropped, it is possible that there will be aggression against the Dutch Government." As to Somohardjo's statements: "It is good to point out things, but that should not

degenerate into blackmail or threats of violence. That should be rejected. But Somohardjo speaks in tough terms every now and then, and I don't know if all his statements should be given equal weight. For the rest, he is a very valuable man, clearly with a large following."

"If there should ever be trouble from the Surinamese resistance," says Ludwich van Mulier, "it will be in the Netherlands: at the moment that the resistance becomes isolated due to a lack of success and support."

If that happens, it might be added here, then one will celebrate not only in Fort Zeelandia. Then /Janmaat/ and /Glimmerveen/ will laugh along with Bouterse.

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POLITICAL

NORWAY

ELECTION ANALYSIS SHOWS WOMEN TURNING AWAY FROM CONSERVATIVES

Strong Support for Labor

Oslo AFTENPOSTEN in Norwegian 2 Oct 85 p 10

[Article by Einar Kr. Holtet]

[Text] It was by far the women's vote that characterized this year's Storting election -- one of the closest and most exciting elections in postwar Norwegian history.

Election analyst Henry Valen, professor in the Political Science Department at the university in Oslo, thinks that women are voting socialist more than at any time before in the elections after the war. "This stands out in the elections," Valen said at a press conference in the Labor Party Youth Organization Monday.

"Previously men and women voted generally in the same way. Now a division between the sexes has clearly arisen in voting as well. One of the reasons may be that more women are working today than ever before. Many are employed in public and social positions and have had direct contact with a good many current problems there," Valen said. He also stressed that the socialist policy of equality may have had a strong effect and therefore attracted many female voters.

This tendency can also be seen in a survey of this year's school elections -- an election survey under the direction of the Labor Party Youth Organization. The survey was even more extensive than the analyses of 1981 and 1983. All in all, 421 schools with over 144,000 pupils were included in the analysis this time.

"The Labor Party has made remarkable progress," Valen said. "And the trend in the school elections showed clearly that something was afoot. The vote -- particularly over the country in less centralized areas -- was clearly in favor of the Labor Party. The marked decline of the Progressive Party was also a dominant feature. The school elections resulted in an increase for the Labor Party in the country of 11.1 percent in comparison with the elections of 1981. With this, the Labor Party just edged past the Conservative Party, which seems to have a stable support of 31.8 percent in the school elections."

Valen also pointed out the Labor Party's enormous support from voters in home economics and home crafts schools, a sign that the youngest female voters are also voting socialist. "This also tends to confirm the thesis that it was particularly the young men who caused the Conservative Party wave," Valen said.

Almost Opposite Male Trend

Oslo AFTENPOSTEN in Norwegian 3 Oct 85 p 3

[Article by Bjorn Talen]

[Text] Like Ronald Reagan, the Conservative Party has problems with support among women -- especially among young, well-educated women, that is. Or, to say it in a more trendy way: female Young Working Professionals are deserting the Conservative Party. At present we have little concrete knowledge about what happened in this year's Storting election, but AFTENPOSTEN's voter analysis indicates that there has been a shift toward a greater share of men among the Conservative Party's voters in recent years. Professor Henry Valen also claims that women are voting socialist more than before.

If one looks more closely at Conservative Party support as far as sex and age are concerned, one sees the following: In the beginning of the 1970s the Conservative Party had about the same support from both sexes. In the Storting election of 1981 the increase was clearly greatest among young men. This trend seems to have increased later. Among older people on the other hand there is no difference between men and women in Conservative Party support.

But this is only part of the picture. If one also considers education, it turns out that this is a factor of great importance in voting. Normally, Conservative Party support increases in close parallel with education. However this is only barely the case among young women. The Conservative Party receives about the same support among young women and men with little education. The number of votes rises when one comes to groups with average education, but it continues to be just as equal for both sexes. But there is a great difference in the sexes among the highly educated. The Conservative Party's share only rises slightly among women, but goes up markedly among men.

To the Socialist Left Party

Or to illustrate the point in another way: Among men the Conservative Party's share of the voters increases 100 percent from the poorly to the highly educated, while it only increases 50 percent among women. While the Conservative Party is strongly overrepresented among highly educated people in general, the support among well-educated young women stands at the Conservative Party's normal level, that is, about 30 percent. In this group the Socialist Left Party is actually almost just as large as the Conservative Party, and the Liberal Party is also overrepresented.

"This means that we must do better in presenting our policy to this group of women. I myself belong to this group of young and well-educated women, and I cannot understand why the Conservative Party's policy should not have appeal here, too," Conservative Party's Annelise Hoegh said.

"Is it just a question of marketing, then?"

"Yes, I think so -- marketing and information. There is a great deal of false information circulating about the Conservative Party."

"The election analysts point out that it may be connected to the fact that women work more often in the public sector and are more dependent upon the allocation of funds and upon social initiatives such as kindergartens and such?"

"I don't think this is correct. There is a close connection between economic growth and social welfare. But this connection may perhaps not be equally clear to everyone. Also there is something wrong with the information. Even if such questions are very important, one should not just look at one's own situation when one chooses a party. There are also the important matters of defense and economy."

"Could another factor possibly be that a series of voter analyses have shown that the parties on the left have more voter confidence as far as equality is concerned?"

"When the women change parties toward the left, it may possibly be connected with the equality issue. While many women earlier voted for the same party as their husbands, there are quite a few who have felt the need to mark their independence with a new point of view. This can go back again when this phase in the struggle for equality is over. In this there is a hope that the Conservative Party can receive greater support among these groups."

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POLITICAL

NORWAY

NUCLEAR DISARMAMENT MOVEMENT: ELECTION AIDS NORDIC ZONE

Oslo AFTENPOSTEN in Norwegian 17 Sep 85 p 2

[Article by Thorleif Andreassen: "Optimism in 'No to Nuclear Weapons': Election Basis for New Mobilization"]

[Text] The outcome of the Storting election has led to increased optimism in No to Nuclear Weapons. The organization is now figuring on gaining breakthroughs for some of its campaign causes after the new political make-up at Løvebakken. The optimism is due not least to some new representatives from the in-between parties which No to Nuclear Weapons has reason to believe support one or more of the disarmament movement's main demands. "The situation is a positive basis for our mobilization in the next four years," Information Secretary Magne Barth says to AFTENPOSTEN.

He points to the Labor Party's and Socialist Left Party's strengthened position in the Storting, and to the fact that No to Nuclear Weapons can count on greater support from the Christian People's Party and Center Party.

"As far as new representatives are concerned, I am counting on Lars Gunnar Lie (Christian People's Party) from Sogn and Fjordane, and Solveig Sollie (Christian People's Party) from Telemark--the latter has expressed support for our freeze motion. It appears that Deputy Representative Eli Arnstad (Center Party) from North Trøndelag is one who supports this line," Barth points out, and continues:

"Let me call to mind other individual representatives from the in-between parties who share some of our campaign causes, namely, the Center Party's Ragnhild Q. Haarstad from Hedmark, her party associate Lars Velsand from Oppland, and Harald Synnes (Christian People's Party) from West Agder."

Magne Barth believes there is a clear Storting majority for Norway's now supporting the Swedish-Mexican freeze motion in the UN--and for Norway's working to gain breakthroughs for this motion within NATO.

Zone

[Question] Is No to Nuclear Weapons figuring on a majority to establish a Scandinavian nuclear-weapons-free zone in the coming session?

[Answer] "Here the situation in the Storting is less clear. With the exception of the Progressive Party there was certainly agreement regarding the fact that, among other things, this question should be cleared up by the Kolding Committee. It is too early to say whether there is a majority in the Storting for an action plan to get a zone established. But, seen from our eyes, the basis is better than it was before the Storting election on 9 September. We will be steering an offensive course in order to get a bit farther ahead in the zone issue than we have reached up to now."

Tug-of-War

Barth reports that No to Nuclear Weapons will support the above-named representatives from the in-between parties in the tug-of-war regarding Norway's disarmament policy.

"Some representatives are in difficult positions, but we will support them and gain ground with our demands."

No to Nuclear Weapons is planning an offensive strategy in the time to come. There will be nationwide arrangements with, among other things, a torchlight procession and a big meeting in Oslo, on UN Day on 24 October.

"It is 40 years since the UN was founded. The UN will itself introduce its International Peace Year on this day. It will be an important basis for our future work," Magne Barth says.

No to Nuclear Weapons is cooperating with related organizations in West Europe and North America.

Netherlands

"We have regular meetings in order to inform each other and to coordinate actions. An anti-nuclear-weapons action will take place before 1 November in the Netherlands. Among other things, an extensive signature campaign will be begun against the deployment of new medium-range missiles in the country, as well as a no to following up NATO's double-track resolution. The signatures will be presented to the Dutch government on 26 October."

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POLITICAL

NORWAY

PROGRESSIVE PARTY LEADER CAUTIONED ON STORTING TACTICS

Oslo AFTENPOSTEN in Norwegian 17 Sep 85 p 2

[Editorial: "No Sandbox"]

[Text] We regret that it should be necessary to say so, but it is evidently necessary to make Carl I. Hagen aware of the fact that the Storting is no sandbox. Let us begin with the political ABC's: The Progressive Party's two representatives are--whether one likes it or not--a part of the Willoch government's parliamentary basis.

As the new Storting is constituted, the situation is that Kåre Willoch can continue as prime minister as a consequence of the fact that 80 versus 77 of the representatives prefer this solution. If Carl I. Hagen construes the situation differently, we can nevertheless, initially and finally, prepare ourselves for a new socialist government under the leadership of Gro Harlem Brundtland.

Hagen is making a mistake when he evidently imagines that the party's mini-group can unrestrainedly behave as a kind of protest and demonstration party without its having consequences for the government situation. If he carries out his plans of threatening to vote for the Labor Party's added-expenditure bills, the prime minister will have to ask cabinet questions with reference to its upsetting the budget balance.

We cannot believe that Hagen means it seriously when he, in the face of this fact, refers to the fact that the three governing parties can re-establish the balance by voting for the Progressive Party's cutback proposals. If he means what he says, this would be the height of megalomania. The Progressive Party cannot threaten for itself an influence which the voters did not give the party in the election and will never give.

In addition, let it be clear that if there is anything the party's voters do /not/ [in italics] want, then it is a new socialist government. As far as that goes, one could let the party continue on its course in certain assurance that it is digging its own grave. We are not opposed to this, but out of regard for those voters who want continued non-socialist leadership of this country we must earnestly ask Hagen to think over what he is doing.

Now that this has been said, we would also like to point out that the three governing parties could, and should, have handled this situation with greater self-confidence and delicacy, to borrow an expression from the Conservative Party's Grand Old Man, Rolf Stranger. As early as several months ago we for our part stated that some words should be exchanged with Hagen if the Progressive Party were to come into the balance-tipping position after the election. Actually, there is nothing further to be done in order to at least have it clarified where one stands. In our opinion all sides ought to be interested in such a clarification. It would be regrettable if misunderstood prestige were to place obstacles in the path of this.

To us it seems natural that the four parties which constitute a majority in the Storting sit down in order to establish a couple of facts. Firstly, it will be possible to agree quickly whether there is a basis for a majority government. Secondly, the Willoch government went to the election on a long-term program which it got the voters' support to implement.

In brief, this is what Mr. Hagen must take a position on and act on the basis of. He cannot overthrow the Willoch government and then ask Willoch to form a new government to conduct a different policy than that it has been overthrown on, should this have happened. It is no more difficult than this, and we believed that Mr. Hagen had been around long enough to have learned the rules of the game.

8985

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POLITICAL

SPAIN

AP CONCERNED ABOUT MEDIA ROLE IN GENERAL ELECTIONS

Madrid CAMBIO 16 in Spanish 16 Sep 85 pp 35-36

[Interview with Jorge Verstrynge, secretary general of Popular Alliance (AP) by Caridad Plaza; date and place not specified]

[Text] Jorge Verstrynge is completely tied up in his signature-gathering campaign against TVE [Spanish television] under the Socialists. It will be AP's first confrontation with the administration during the next session of Parliament, which opens next week.

[Question] Is AP's objective to get rid of Calvino?

[Answer] We are not concerned about having the director general, who is an insignificant individual, step down. What we cannot countenance is the general philosophy of Spanish Television. Everything is very well arranged, and we are deeply convinced that Alfonso Guerra is the man in charge. Calvino is dangerous because he is a recent convert and in just a few years has to give his masters proof of his loyalty to offset the years when they were not his masters.

[Question] But is it worse than during previous periods? For example, when your colleague in the AP leadership, Carlos Robles Piquer, was director general?

[Answer] Spanish Television has become more partisan than in previous periods. Every third news program gives me fits because of the underhanded way things are done. Ongoing manipulation of the news is not acceptable, and because it is not acceptable, AP will keep on speaking out until the reporting is acceptable.

[Question] And aren't you worried that people will think that the opposition is picking a fight with TVE only when its reporting touches your leader?

[Answer] The program about Fraga Iribarne was the straw that broke the camel's back. But before we started the signature-gathering campaign calling for less controlled television, we spent a whole day screaming at each other

in the Parliamentary Monitoring Committee. I have here a prior story from last 1 May that is a perfect example of manipulation. That day's summary contained this phrase: "Manuel Fraga, on the occasion of Reagan's visit to the Nazi cemetery." The story was about one of Fraga's "queimadas," but it had been taken out of context. During the news program proper, a voice-over was heard several times saying the word Nazi, while footage of the AP president was interspersed with newsreels of SS marches.

[Question] But the program about terrorism was the catalyst, wasn't it?

[Answer] That was the height of brazenness. We got wind of the rumor that TVE had asked the EFE agency for photos of Fraga and the Montejurra incident, and when we got to the Monitoring Committee, we asked whether a story on the opposition leader was in the works. We were given a categorical no, and just a few hours later the story was run on the 9 o'clock newscast.

[Question] And that was when the AP Group withdrew from the Monitoring Committee and the council even though they are the only two monitoring bodies.

[Answer] Yes, because why were we there? To be lied to.

[Question] Don't you think that this campaign and Jose Ramon Calero's upcoming parliamentary subpoena may strengthen Mr Calvino as director general?

[Answer] This is a particularly ingenious tactic by the PSOE [Spanish Socialist Workers Party]. Since the opposition always criticizes just to be a nuisance, what you have to do is never agree with it. This is the best way, under a democracy, to nullify everything that the opposition might bring up. One day Ana Balletbo came to tell me that we shouldn't pick a quarrel with Calvino because if we did, they might not fire him, and a lot of Socialists were fed up with him.

[Question] Is the AP coalition aware that for the past 3 years the opposition has made things very easy for Mr Calvino, because its members have had less information than the PSOE had when it was out of power?

[Answer] We are aware of that. It is true, especially in connection with the Monitoring Committee. We have not had the same degree of information because we have lacked the sources. Carlos Robles Piquer had been sounding the alarm for a long time, but we didn't fully believe that they were manipulating us systematically. We had people giving us information, but we were not going to go and steal documents...And you have to keep another thing in mind: the UCD [Democratic Center Union] was in much greater disarray, and therefore the level of infiltration was much higher. Our information has been getting better as TVE has undergone purges.

[Question] Do you think that there are enough avenues for exercising some degree of control without amending the TVE Statute?

[Answer] I think the serious thing is that the statute has gone largely unenforced. I am not saying that the administration should not appoint the

director general; I am saying that the administration ought to seek a consensus on the appointment.

[Question] If AP won the elections, would it seek a consensus?

[Answer] What I can assure you is that we would not kick out anyone for belonging to a party other than the one in power. I will never consent to a colleague of mine conducting an ideological purge. And if we go back to Mr Calvino's statements, this is what has happened: "On the television station," he said, "we have dispensed only with the fascists." Are Carlos Herrera and Jose Maria Inigo fascists? This is no longer pigeonholing. It is something much more serious: it is a clear-cut political purge.

[Question] What would television under the AP coalition be like?

[Answer] It would be uncontrolled, of course. The administration would not be able to influence more than was reasonable, even under the current statute. It is not a question of controlling TVE; it is a question of controlling the administration's influence over it. Imagine if the Cortes are dissolved a month before the elections and the Monitoring Commission is abolished. Imagine too if the gentlemen at Torrespana serve us up every 24 hours a program like the one they did on Mr Fraga not long ago. You can say to me that we will soon be protesting it in Congress. Yes, of course, but only after the new Parliament is elected. We would not be able to do anything for a whole month.

[Question] So then, if you fail to reach an agreement with the administration on TVE, you are prepared, as you have announced, not to run in the elections?

[Answer] If that was what was said, it was obviously going too far. What we contend is that if TVE does not undergo changes, it is going to detract from the legitimacy of the upcoming elections. We will run, but with the earnest warning that the current TVE monopoly throws things out of balance and manipulates public opinion to a degree that the legitimacy of the results might be questioned. The results will count, but in a relative sense, and we are going to say that before the elections, so that the people keep it in mind and so that, afterwards, the administration remembers it.

[Question] There is a meeting pending between Fraga Iribarne and Felipe Gonzalez. Is there hope that they can reach some sort of agreement?

[Answer] We will do everything possible to find a friendly and cordial way out of this situation, but with all the necessary guarantees. Moreover, I think that the purpose of a meeting like that is to secure something concrete. For the time being, the prime minister has pledged to take a look at Mr Fraga's proposals.

[Question] It seems that the only problem in the country that concerns you is Spanish Television...

[Answer] No. It is a serious problem. But there are others. It was given priority at the first meeting between Fraga and Felipe because it was very

much in the news, but there are 10 others that have to be brought up. Employment policy is a serious issue, and things are going to get worse as of November. Felipe might well leave the Moncloa this legislative session with four million people unemployed. And there are other economic and health care issues, etc that have to be discussed. We are going to be flooded with work as soon as Parliament opens, with one issue systematically and punctually following the other. Mr Herrero de Minon has been preparing them for months.

[Question] How has the signature-gathering campaign gone?

[Answer] Exceptionally well, considering that it was conducted during hellishly hot months. We already have 600,000 and we hope to reach 1 million, even though 500,000 is enough for any sort of grassroots action.

[Question] Have AP voters been mobilized?

[Answer] People signed to support the idea of unfettered television, though some of our supporters did mobilize. We have also gotten backing from people in the Socialist Party. At the Outreach University my wife collected signatures from Socialist voters who thought that TVE was a disgrace.

8743

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4 November 1985

POLITICAL

SPAIN

ORDONEZ INTERVIEWED ON MAJOR FOREIGN POLICY ISSUES

Madrid EPOCA in Spanish 16 Sep 85 pp 48-51

[Interview with Foreign Affairs Minister Francisco Fernandez Ordonez by Emilio Romero at the Viana Palace; date not specified]

[Text] There have been many famous names during our recent history as a democracy. One of them is Francisco Fernandez Ordonez, who is currently foreign affairs minister. In political circles he is known as "Paco Ordonez."

There were two daring men, towards the end of General Franco's regime, who began pushing him to the top. They were finance ministers Alberto Monreal and Antonio Barrera. After his law studies, his specialty was taxes, what people the world over now call a "cheerless line of work" because taxes are an obligation but a terror as well. First he was technical secretary general of the Finance Ministry and in 1974 president of no less than the famous state-run INI [National Institute of Industry]. Paco Ordonez was always a man "of advanced ideas," as the saying went at the time. So when the old regime was on its death bed, he set his political activities in motion towards a "social democracy" that stopped on the border with the Left. He was involved in the major intrigues of 1975 and 1976, and when Adolfo Suarez took over as prime minister under the restored democracy, after his first moves in 1976 and 1977, he gave Ordonez the Finance Ministry. And then naturally came the Tax Reform. Within the hodgepodge of Adolfo Suarez's center movement, Ordonez represented the Left. The centrist movement was the meeting ground of several factions. Paco Ordonez headed one of them. Later on he took over the Justice Ministry and, naturally, he got the Divorce Law passed. After the centrist group broke up, he refused to put up with Leopoldo Calvo Sotelo. He saw himself as closer to Felipe Gonzalez's Socialists, who were sloughing off Marx, and then we all know what happened. He would have gotten nowhere with his party in the 1982 elections, but he was highly successful after coming to

terms with the Socialists. He switched to the Socialist Party because it had already become a European- or German-style Social Democratic Party. After the Socialist victory he was named president of the Banco Exterior and, recently, foreign affairs minister.

"Social Democrats Like Me..."

He asked me to see him at the Viana Palace, the old home of the Duke of Rivas, and we sat down to converse there in front of a memorable painting of a royal reception of Charles IV. The painting is a delight, and with both of us assuming who was who, I was appalled by the collection of opportunists, people with short memories and quick-change artists among the assemblage. History overtook me, and my cruel side was seeing present-day figures in the painting. My only intention was to discuss foreign policy, but my very first question brought this remark from the minister about his politics:

[Ordenez] The issue of social democracy is longstanding and very much debated. The turning points were Bad Godesberg in Germany and the 29th Congress of the Spanish Socialist Party, when Marxism ceased to be part of the official ideology of what we could call "historical socialism." From that point on, Social Democrats like me, who believe in a whole series of individual and social values but who are not on the Marxist Left, were able to join the Socialist Party. I am not saying that the Spanish Socialist Party can be called Social Democratic, but the place for Social Democrats in Spain is the Socialist Party.

[Question] Could you tell us a bit more about the ideology behind this place?

[Answer] Why yes. A Social Democrat is a Socialist who is not in a hurry, who accepts his time in history and who believes that peoples progress through successive reforms. This is the reason for Europe's great strides, and this is the substance of the great pact between capital and labor that has shaped all of Western European society. The objective is a decent society, a society with breathing room, in which man can live a free and decent life. A more equal society does not have to be a less efficient society.

[Romero] That all sounds fine. The problem is that equality with mediocrity and poverty leads nowhere. In the Olympics everyone is equal at the starting blocks but never at the finish line. Javier Muguerza once told Marxist philosopher Manuel Sacristan, who just died, that he didn't believe in Marxism. Sacristan replied: "Well, don't worry. You know that Marx wasn't a Marxist either."

"I Don't See Spain Outside NATO"

[Romero, continued] Enough talk about ideology. My first question had to do with the most controversial issue of all: NATO. I asked him whether there was going to be a referendum. He told me that the decision was not up to his

ministry and that if the administration's spokesman had said there would be, it was up to the prime minister to announce it. I then asked Paco Ordóñez what the consequences would be if the Spanish people decided at the referendum that we had to leave NATO. The minister replied thus:

[Ordóñez] It would have very negative repercussions. I don't see Spain outside the Atlantic Alliance. We have been in for 3 years now. The man in the street thinks that in the event of a conflict it would be better not to belong than to belong. This is a huge mistake, because we would be involved just the same and we would not have input in the decisions that would affect us. The alliance is a political cooperation club to which all of our Common Market partners belong, except Ireland, and this for historic reasons related to Ulster. Withdrawal from NATO would force us to reconsider many aspects of Spain's foreign policy, at a time when our country is unavoidably linked to Europe and, moreover, when Europe wants to be more politically united. The attempts to modify the Treaty of Rome are aimed at greater political unity. So our presence in the Atlantic Alliance has to do with solidarity with our European partners and friends, not with the Americans. In short, I would rather not think about the problems that leaving NATO would create, but they would be very serious.

[Question] Isolation, plain and simple.

[Answer] Isolation is the costliest of policies.

[Question] And what type of continued presence in NATO do you see for us, Mr Minister?

[Answer] Each country has to develop its personal mode of involvement. For example, France has 30,000 soldiers in Germany and says that it is not part of the military structure. Iceland is part of the military structure and has no military. And I'm going to tell you something that very few people know. At one point, quite a few years ago, the Soviet Union asked to join NATO. It was turned down. It was in 1949 to be exact.

The Bases

[Question] In discussing this problem, we have to talk about the American bases in Spain. Shortly before Reagan's arrival in Madrid, Fernando Moran came out on TV with a proposal to renegotiate the bases, with the idea of cutting them back. How do things stand?

[Answer] One agreement expires in 1988. The prime minister's 10-point program talks about gradually scaling back the U.S. military presence in Spain. We have already spoken with the Americans and we will begin by holding a technical meeting in Madrid. They have agreed to it. The agreement with the Americans is for 30 years, and things have changed greatly during this period. Neither we nor the Americans are interested in overinvestment. So in principle we will be holding exploratory talks to assess the importance of Spain's security in the Western world. We were initially thinking about reducing the U.S. presence, inasmuch as we now have bases plus NATO.

Geography, strategy, technology and the heightened importance of the Mediterranean recommend another way of viewing matters.

Common Market

[Ordonez] On 1 January we will not be joining a golf club. We will be entering inhospitable, very rough terrain, facing the cold wind of hard-nosed competition and all sorts of interlocking interests. This is going to demand a giant effort from the Spanish people. Psychological preparation is needed for the activities that we will have to undertake. Enormous possibilities are opening up for us, but the outcome depends on us. The Japanese people realized this after Hiroshima, and so did the German people after the war.

Relations with France

[Question] Our relations with France are marked by many problems. The behavior of our neighbor is erratic, and the return of democracy to Spain has not taken care of several things were major obstacles to our getting along in the past. It would be helpful to hear our foreign minister's views in this regard.

[Answer] I am a very fond of French culture, and my generation grew up with the French. When I was justice minister, I was went to see my French counterpart to discuss terrorism and extradition, and I came back disappointed. The matter that I brought up with him was international, not just domestic. On my second trip there I accompanied the king and queen. In his dinner toast remarks President Mitterrand left his prepared speech and said: "If terrorists on either side think that they can use France as a haven for attacking Spain, they are very mistaken, because we will struggle with all our strength to stop them." Experience has shown that France is helping out in this matter, though I wish it would help more. In my speech at Helsinki on security I was the only one who said that terrorism was one of the reasons for insecurity in the world. Secretary of State Shultz told me to convey the U.S. Government's gratitude to the Spanish Government because we were really supporting the international struggle against terrorism, which is the only path to take.

[Question] There are other problems with France besides this one...

[Answer] Yes, but our overall commitment to Europe, after our entry into the European Economic Community, will make for easier going and normal solutions.

Morocco

[Question] Morocco is another of our neighbors, and the problems never stop.

[Answer] The political problems with Morocco are longstanding and boil down to its claims to Ceuta and Melilla. These two cities are Spanish, and that is what we are always telling the Moroccans. The other problems are economic, and I must say that we want a strong, not an unstable northern Africa. Only 14 kilometers separate us from Morocco, and some problems are now arising between Spain and Morocco in connection with the Common Market. It is the

Mediterranean area that is involved in this entire matter. The Moroccan minister will be here soon, and we will all do whatever we can to come to terms and defend our respective viewpoints. We are prepared to defend the interests of the north African countries, which are our friends, but we are also obliged, logically, to defend Spain's interests too. In the cultural sphere, Spanish has been lost and must be brought back. The Moroccan and Algerian authorities are in favor of spreading second languages and of bringing back Spanish somewhat.

Israel

[Question] The case of Israel is almost a joke by now. Why the never-ending delays in normalizing diplomatic relations with Israel? Is oil perhaps a factor?

[Answer] We are trying to choose the proper time and the proper way to establish diplomatic relations, because the recognition has been given. I am in favor of establishing diplomatic relations and I have said so. We have to tackle the tangential problems that it might give rise to. I would be delighted to be the minister who establishes diplomatic relations with Israel.

Gibraltar

[Question] And what about Gibraltar?

[Answer] The British minister is going to come to Spain in early December, and the British have already agreed to begin taking up the issue of sovereignty. These are problems of timing, scheduling and proposals. The British position is more reasonable now. The king is also traveling to England, and Prime Minister Margaret Thatcher will most likely visit Spain sooner or later. I had a very pleasant meal with the British minister in Helsinki. He took his summer vacation in Spain this year in fact.

Espionage

[Question] I hope that the problem of the German spies working for East Germany has been a source of concern to you. Does Spain's foreign policy provide for a mechanism to monitor spies and secure high-level confidential information?

[Answer] That is not the province of the Foreign Affairs Ministry.

[Question] Well, it is my understanding that it ought to be, simply because Spain's foreign policy is conducted through a ministry, the Foreign Ministry.

[Answer] I receive some confidential information.

[Romero] It will never be enough...

The minister smiles. This is obviously a confidential matter. I am certain that there are no mechanisms of this nature in Santa Cruz Palace, even

though at this point in the 20th century and given what is going on in the world, it would be a very good idea.

The Bonfire in the Americas

[Romero, continued] We could not omit the topic of Central America and the Caribbean from our conversation. There is constant fighting in the region, and the United States is always sounding the alarm, simply because those countries are its neighbors and there is a Soviet platform operating there. My question to the minister had to do with what we are doing there. His reply was:

[Ordonez] At the Helsinki meeting many foreign ministers asked me for information on the issue; they acknowledge that we have some moral influence. We have supported the Contadora group because it is a way of trying to ward off a military solution. There is probably an East-West problem in the region, but there is also a problem of enormous poverty, an economic problem of disadvantaged, helpless people, of underdevelopment, and this is a breeding ground for revolution. The world ought to gain an awareness of the economic problems in this region of globe and try to resolve them. The EEC has scheduled a meeting before the end of the year to take up the issue of Central America and what sort of economic aid Europe can give those countries.

[Question] But the Soviet presence there makes all of these things a little bit worse.

[Answer] The Soviet presence is in Cuba, but the proper thing to do is to prevent that entire region from becoming an arena of confrontation between the two blocs.

Russia

[Question] The fact is, when we accept a total commitment to Europe as part of the West, in which the United States of America plays a leading role, relations with Russia must necessarily be difficult or touchy.

[Answer] The Soviet Union knows that we belong to NATO and that the government intends to stay there. We have not received any unfavorable message or commentary about it, and we have belonged to NATO for 3 years. Nothing whatsoever was said about it during my recent meeting with the Soviet minister. What we have to try and do with the Soviet Union is expand our trade, which is at a very low level. We have not even hit \$1 billion in the two directions; our trade with them is weak and bogged down. I tried to get things moving when I was in the Banco Exterior.

[Question] Is Felipe Gonzalez getting ready to visit Russia?

[Answer] Shevardnadze extended the invitation for the trip to me.

[Question] Reagan visited us recently. Could Gorbachov come some day?

[Answer] He could.

[Question] I have heard that the prime minister will be at the United Nations for the commemoration of its 40th anniversary and is going to deliver a speech.

[Answer] Yes. And it will be a major political speech.

[Romero] This is, of course, a short summary of our lengthy conversation. He is our new foreign affairs minister, and we had to cover the broad spectrum of Spanish foreign policy. It seems to me that he has acquainted himself very quickly with the affairs and tasks of the ministry. He has traveled far and wide and studied hard. I would rather see Paco Ordóñez involved in foreign policy than in domestic policy. It is better to have a man who is to be feared for his shrewdness dealing with foreigners than with the people back home. His present mission is a daunting one: keep the French amused, calm the Moroccans, instill confidence in the British, keep the Russians from frowning, cheer up the Americans, dazzle the Germans, avoid irritating Fidel, lavish attentions on His Holiness's nuncio, clean up in the Common Market, reassure the NATO generals and play ball with the Portuguese. That is his mission. Paco Ordóñez is well equipped to do all that. We shall see.

8743

CSO: 3548/5

POLITICAL

TURKEY

PP LEADER, INTERIOR MINISTER COMMENT ON AMNESTY PROSPECTS

Istanbul CUMHURİYET in Turkish 24 Aug 85 pp 1,6

[Text] Ankara--Populist Party [PP] leader Aydin Guven Gurkan declared that his party will work in the National Assembly to make sure that Article 87 of the Constitution on the unpardonability of crimes committed against the state is interpreted correctly. He said: "If Article 87, which is incompatible with the procedures of the Turkish Penal Code and which is not explicit and clear about which crimes are pardonable and which are not, can be a source of a major injustice, then interpreting the Constitution in a way that will make it a source of injustice is in itself a crime." Meanwhile, Minister of the Interior Yildirim Akbulut announced that singer Cem Karaca, whose citizenship was revoked because he did not obey orders to return to Turkey, will be allowed to return to this country. However, he added: "If he is worried that he may be arrested and prosecuted when he returns, that is purely a legal matter that concerns the justice mechanism. We have nothing to do with it."

Gurkan said in his statement that the Motherland Party [MP] must not interpret Article 87 of the Constitution in a way that could lead to injustice. He said: "If the MP takes a formalistic stance with respect to Article 87 of the Constitution, then we will do our best to prevent them from doing that. But if they do, the government will not win praises from the people for issuing an amnesty. On the contrary, the people will condemn this government for fostering injustice and unfairness, for discrimination among those convicted for various crimes and for differentiating between rightist and leftist ideology. I hope that the MP government will not issue an amnesty with a political message attached to it. I hope that it will interpret amnesty as an expression of society's forgiveness. But I do not think that this government will be able to do that."

Stating that an unjust amnesty would not heal the wounds, Gurkan said: "On the contrary, an unjust amnesty will make the wounds bleed endlessly."

Minister of the Interior Akbulut said in his statement that there is no law that prevents people like Cem Karaca from returning home from overseas. He said:

"It appears that there is a question of a trial in connection with Karaca. A prosecution process is under way. If he returns, I believe that nobody will ask him why he returned. But if he is worried that he may be arrested and

prosecuted when he returns, that is purely a legal matter that concerns the justice mechanism. We have nothing to do with it. Now, we are telling persons in similar situations, with the exception of some, that they may return if they wish. In other words, we do not want to revoke their citizenship. But if they do not want to return what can we do? They leave the country, then they tell us to pardon them so that they can return. These are separate issues."

Expressing his views regarding the amnesty law that is expected to be enacted in this legislative season, Akbulut said: "It is necessary to take a position. It is necessary to adjust the timing and to research the issue. The government is supposed to say that. That is the right thing to do." He added:

"I am not expressing any views regarding the issue of amnesty. Because that is an important matter, and that is the government's business. The government will issue a statement after it completes the necessary studies. Now, I can say something and someone else says something else. And what happens if they contradict each other? It is natural that everyone should express his views on an important matter. Naturally everyone has his own views. But as a member of the government I cannot say, 'this is what I think.' Saying something like that would not be appropriate. The issue must be studied, its framework must be determined and a decision must be taken. Saying 'it should be like this or like that' on certain issues is not right. Consequently, one must remain silent on such issues. These issues are already on the public agenda. Amnesty is frequently talked about. It would be most beneficial if the issue of how amnesty will or will not be implemented is announced after the complete picture emerges."

Meanwhile, the Ministry of Justice has reassessed the number of detainees and convicts held in prisons. It has been determined that of the 69,914 detainees and convicts held in prisons, 2,948 are being held in connection crimes against the state. It has also been disclosed that the total inmate capacity of the prisons is 84,900.

Meanwhile, the MP-SODEP [Social Democracy Party] Joint Amnesty Commission that was formed to draft an amnesty bill is continuing its work to seek ways of enacting an amnesty law that will be broad in scope. In addition to debates about how a wide-ranging amnesty law can be enacted, the commission, which has held three meetings so far, has been exchanging views on the Constitution's Article 87 and Article 14, which, it is claimed, "bans amnesty for crimes of thought." The commission, which has been using the term "social peace law" instead of amnesty, will continue its work today. The commission plans to listen to the views of constitutional and penal law experts after the holidays, and it is expected to complete a draft bill by the end of September. A member of the commission declared that they will pressure the Assembly to make the amnesty law broad in scope. He added: "With its repentance law the government pardoned even those who had been sentenced to death. It should agree to pardon those who have not taken part in armed operations. Otherwise, it would contradict itself."

POLITICAL

TURKEY

CWP LEADER COMMENTS ON LIBERALIZATION OF CONSTITUTION

Istanbul CUMHURIYET in Turkish 24 Aug 85 p 7

[Text] Istanbul--Correct Way Party [CWP] leader Husamettin Cindoruk returned to Istanbul after completing his 3-day visit to the Thrace. During a meeting with reporters after his tour, Cindoruk said: "I call our movement the democratic right. There can be no economic liberalism without a liberalized democracy."

After making public speeches in Bayramic and Ayvacik, the last stops of his tour in the Thrace, Cindoruk went to Canakkale. While returning to Istanbul via Eceabat, Cindoruk had a chat with reporters on the ferryboat carrying him. Cindoruk, who stayed in Istanbul last night, evaluated his tour and responded to the reporters' question during his chat. After a brief evaluation of his tour, Cindoruk responded to the reporters' question on "democracy", "leftist opposition" and "freedoms." The CUMHURIYET correspondent asked: "You have advocated Western-style democracy. Acts which are currently considered crimes in Turkey are not regarded as offenses in the West. When will Turkey have a structure that will be suitable for a Western-style democracy?" Cindoruk replied: "If Articles 141, 142 and 163 [of the Turkish Penal Code] are repealed, then one could even open lodges for dervishes. For the moment, Turkey's condition is not suitable for such an environment for the purposes of democracy. I oppose bans on crimes of thought. If communist, fascist or theocratic parties are allowed to be formed in Turkey then militarists will win a major trump card. We must first put democracy on its tracks."

Stating that his party opposes restrictions on the press, Cindoruk said: "We want democracy because of the restrictions imposed on it. The press is within the framework of those restrictions. In the future, militarism may clash with the press." Noting that the Menderes and Demirel periods encountered "revolutions," Cindoruk said: "Those were the longest-lasting governments. We do not want to leave things to chance. We want to be rigorous, and therefore we oppose coups from the outset."

Noting that the voice of the leftist opposition has remained "muted," Cindoruk commented on the Democratic Left Party as follows: "Mrs Rahsan Ecevit has formed the party. But does not Bulent Ecevit have any influence? The laws prohibit Mr Ecevit from advising the party. Do not Mrs Rahsan Ecevit and Mr Bulent Ecevit sleep on the same pillow? Is the government going to station policemen between the two Ecevits? Who can interfere after the lights are turned off? Does not the party founded by Rahsan Ecevit count as Bulent Ecevit's party?"

When asked by a reporter to comment on President Kenan Evren's remark to the effect that "I sponsored the Constitution and I will not allow it to be shot at" Cindoruk said:

"I would not want to argue with the President. According to the Constitution, the President represents the integrity of the state and he is impartial. I do not think that he has made such a remark. I did not hear it myself. I cannot believe that such a remark was made until I hear it with my own ears. Let him say it in my ears and then I will believe it. I am stating the general rules. I am describing militarism. I am not calling anyone a militarist. If there is a threat of militarism in Turkey then I am pointing to it. If there is no such threat, then there is no problem. Our conflict with the Constitution can be completely resolved through the Grand National Assembly. The President also has the authority to call a referendum. The people have the last word. Today the president is an impartial civilian. The fact that he has a military background does not change the result or his position. I as well as the president are two citizens who are obliged to obey the provisions of the Constitution. I am saying that the bans should be lifted; the President may say that they should not be lifted, and that is his right. The decision will be made by the people. Since I am not going to change my mind, it is they, and not I, who are seeking a confrontation. I am not going to change my course."

9588

CSO: 3554/2

POLITICAL

TURKEY

GURKAN REVEALS SOCIAL DEMOCRATIC PLATFORM

Istanbul CUMHURİYET in Turkish 26 Aug 85 p 7

[Text] Ankara (ANKARA AGENCY [ANKA()] - PP [Populist Party] General Chairman Aydin Guven Gurkan both harshly criticized the government and revealed the major lines of the platform for the "future Social Democratic Peoples Party" in a holiday conversation with an ANKA correspondent.

Gurkan, in criticizing the Ozal government's performance, drew special attention to practices involving the tax policy and said: "This government's ideology does not favor the broad public. Turkey has a very serious tax problem. The private sector is in a position today to create for itself conditions under which it will soon pay no taxes at all. Owing to the government's economic commitments and ideology, I just do not think it can show the courage to get rid of them. There will still be an attempt to load the burden of the new tax package said to be in progress on the citizen. If this is the case, our resistance will naturally be very great."

Gurkan continued:

"Turkey has become a state which virtually collects no taxes because of exemptions and exclusions. We shall see whether the government, being this sensitive about the minimum wage and acting this much as if it were within state responsibility will continue its generosity vis-a-vis exemptions and exclusions in this new tax package it is to introduce. We shall all be watching this closely. Then it will be even more difficult, I think, to get this society to accept the minimum wage. The government's viewpoint, so remote from what is right, and the world view will also be further clarified."

PP General Chairman Gurkan stressed that inflation is not a natural occurrence that takes place all by itself and, therefore, people should not accept it as inevitable. "The usual source, creator and agent of inflation is the state," he said.

Aydin Guven Gurkan, also criticizing the government's foreign policy, said, "This government is as grossly irresponsible in foreign policy as it is in everything else."

Stressing that, in comparison to the Ataturk period, Turkey had badly regressed in relations with its neighbors, Gurkan drew attention to the government's failure to resolve the worsening of these relations in a serious way, but, on the contrary, letting them practically come to blows and revert to nature. "This is a serious threat for Turkey," he said.

Gurkan pointed out that bringing the defense cooperation agreement with the United States before the TGNA [Turkish Grand National Assembly] was an absolute necessity.

Platform

PP Chairman Gurkan, in the holiday exchange with the ANKA correspondent, outlined the "Social Democratic People's Party administration's" program as follows:

--The banner of production will be snatched from the hands of the right. Right-wing cadres and administrations, which under present circumstances have to bring Turkey up to the market status of the world's great monopoly foci, have reached the point where they can no longer produce. In our social democratic administration, a Turkey will be created which both produces and divides the results of this production fairly.

--A policy favoring the broad working public will be pursued. In our administration, even if inflation cannot be prevented immediately from one day to the next, the damage resulting from price increases will absolutely, but absolutely, be deflected for the broad public. Otherwise, it is impossible for us to keep Turkey on its feet.

--Turkey's distorted social balances will be quickly rectified by the social democratic administration. A social democratic administration is a must. Otherwise, we will have neither a working democracy nor social balances functioning in a healthy way.

--Foreign policy will be democratized, made answerable to the people, placed under the jurisdiction of the TGNA and demystified to nationalize it in the true sense. We are resolved to conduct our relations with the United States within NATO as a whole and the framework of European-American relations.

8349

CSO: 3554/03

POLITICAL

TURKEY

INONU ON SODEP-PP MERGER

Istanbul CUMHURIYET in Turkish 26 Aug 85 p 7

[Text] Ankara (ANKARA AGENCY) - SODEP [Social Democracy Party] General Chairman Erdal Inonu said that they will begin intensive work after the Kurban holiday on the merger with the PP [Populist Party].

"The new party formed by combining the two parties will head the opposition and will soon be in power in response to the people's expectations," he said.

SODEP General Chairman Erdal Inonu said, "Our march to power will ensure that we overcome certain difficulties that will arise during the merger with the PP."

Indicating that he found meaningful PP General Chairman Aydin Guven Gurkan's suggestion that the new party name be the "Social Democratic Peoples Party," Inonu said, "To me, it is accurate; it both says that the party is the people's party and indicates its place in the political spectrum." Questions and answers with Inonu follow:

[Question] At what stage are the union and consolidation efforts?

[Answer] Both parties unanimously supported merger proposals at their mini-conventions. We two general chairmen will meet after the holidays and put down on paper certain principles defining the consolidation process in detail. Officers of the two parties will each work on a draft protocol. The final protocol will be drawn up during the talks.

[Question] You said that "there may be difficulties for the organizations" in the merger stage. How will you overcome them?

[Answer] There is no magic formula to resolve these difficulties. The thing that will overcome them is the parties' awareness of their duties and the support they are going to get from the electorate because of the new party's important duties. Frankly, our march to power will ensure that we overcome certain difficulties that will arise during the merger. The organization will find the basic struggle. This is the struggle to gain power. For that reason, the struggle to gain power will exclude both difficulties and anxieties. Our merger will bring the externally-oriented struggle to the agenda. In my opinion, factionalization and conflicts develop more rapidly in a divided atmosphere. Consolidation, union will largely eliminate these.

MILITARY

DENMARK

CONSCRIPT ORGANIZATION OPPOSES PLAN TO LENGTHEN SERVICE TIME

Copenhagen BERLINGSKE TIDENDE in Danish 10 Sep 85 p 7

[Article by Nils Eric Boesgaard: "Draftees Against Lengthened Service Time"]

[Text] Defense Minister Hans Engell: "It has always been my intention to lengthen the service time for the noncommissioned officers group beyond the hitherto maximum 24 months."

Draftees believe that the political parties behind the armed forces compromise have put themselves at odds with the laws in force by extending the period of service for draftee sergeants to 24 months, it reads in a statement which was published by the executive committee for drafted rank-and-file members and drafted sergeants, and the national committee of union representatives for draftees in the Civil Defense force.

According to the laws in force, draftees cannot be kept in longer than 24 months, it reads. The reason for the statement is an appendix agreement to the armed forces compromise which was passed on 27 August. It appears from this that the period of service for combat troops is to be extended from 9 and 21 months to, respectively, 12 and 24 months.

Draftees are criticizing Defense Minister Hans Engell for having made a hasty decision and for having acted over the head of the sitting labor committee.

"I do not think this is the case," Hans Engell says to BERLINGSKE TIDENDE. "It has always been my intention for lengthening of the period of service for the noncommissioned officers group to take place. I had an opportunity earlier to inform the national union representatives and then I made it clear that, that we want a lengthening of the period of service is not in order to inconvenience draftees, but it is simply to give them a better education so that in a given situation they will have a better opportunity to perform their duties. I place great emphasis on the three months extension's being made the most of so that it is experienced as meaningful by the draftees, too," the minister adds.

8985
CSO: 3613/203

MILITARY

FINLAND

BUDGET PROPOSAL FOR MILITARY PRESENTED TO PARLIAMENT

Helsinki HELSINGIN SANOMAT in Finnish 18 Sep 85 p 16

[Text] Army expenditures will increase next year 10 percent over the current year, which is clearly more than budget expenses in general. A notable portion of this increase is attributable to large weapons deals with the Soviet Union.

The government is requesting authority to order over the next 5 years "special equipment" from the USSR with a total value of almost 2.2 billion markkaa. Next year 360 million markkaa will be needed, in other words, the main portion of the Soviet arms deals won't be paid for until later.

According to the high command staff nothing unprecedented or unusual will be obtained from the USSR, earlier procurements will be continued instead. This procurement consists especially of equipment for the ground forces; more T-72 tanks for the armored brigade and anti-tank missiles but also more air-defense missiles. Since no new types of missiles are included in the deal none of the so called target repelling missiles will be obtained in the near future.

A second large procurement is an order for ammunition, gunpowder and explosives valued at over a half-billion markkaa. These charges will be purchased primarily from within Finland and will be paid for over a five year period.

Hundreds of millions of markkaa will also be used for Drakens for Pirkkala, tracked vehicles for Lapland, for new low-altitude radar and to pay for weapons orders that have been previously authorized. Basic procurement expenses for defense total 1.5 billion markkaa next year.

Servicemen are being remembered with a pay raise of one markkaa per day but not until December of next year. Conscripts who serve 11 months will receive an additional free leave trip. This addition will not take effect until the beginning of October next year.

Many a reservist will have an opportunity to experience winter warfare when large-scale maneuvers are held in southern Finland, in the Riihimaki-Lahti region in January. There will be 12,000 men participating in that. The budget includes about 4 million markkaa for the main maneuvers.

MILITARY

FRANCE

FASTER THROUGHPUT FOR ARMS SYSTEMS DATA PROCESSING WITH NEW BUS

Paris ELECTRONIQUES ACTUALITES in French 20 Sep 85 p 20

[Text] The development of real time systems for weapons will be marked by the implementation of a new French standard defining layers of the ISO type now being developed for data processing systems.

The ESD (Serge Dassault Electronics) company, whose Digibus constitutes the French military standard, is actively pursuing its work on miniaturization of the physical components of the Digibus, as well as on high-speed data buses. In addition, this company participates in the work of the SAE 9 committee on the new high-speed data bus (HSDB). It may therefore be stated that since computerization has become a prerequisite of all weapons systems, programs such as the future tank, Hades, or the French fighter jet will be equipped with a data bus representing a marked improvement over the bus now in use.

By the end of 1982 the Digibus, a multiplexed data bus developed by ESD, had become the French military standard. Like its U.S. competitor, MIL STD 1553 B, it was capable of transmitting data at a rate of 1 megabit per second and specifically met the needs of the Mirage 2000, the first fully digitized arms aircraft produced in series. On this aircraft, the Digibus accepts up to 40 subscribers in the version designed for the French armed forces and over 40 subscribers in the versions destined for export.

A higher-speed data bus will be needed to meet data transmission needs in future programs in which computerization will be systematized. It is anticipated that a larger number of subscribers will be connected to this data bus and that most will have local, microprocessor-driven capability. These new requirements will oblige manufacturers to miniaturize their network components. Similarly, software systems will need to be restructured when the new standard comes into effect in France.

At this time, manufacturers are being polled on a draft standard, GANT 103, which defines a transfer layer (services and protocols) for real-time military networks. The survey is being conducted by Celar (Electronic Center for Weaponry). It is therefore necessary to structure the networks in a method similar to that used for data processing systems. The major difference is one of size: the armed forces need to communicate in real time.

It can therefore be assumed that this new standard, which will not become effective for some months to come, would be applicable to programs such as the future tank and particularly to Hades. Standard GANT 103 was developed by Celar with the assistance of ESD. It deals with the reference model, the transfer layer and the Digibus (together with standard GANT 101). Its authors plan to extend it to U.S. standard 1553 B by developing the specific interface part, and to the future high speed data bus (HSDB which is currently under development by SAE 9). The French Government also intends to introduce this standard to NATO and to various international groups dealing with standardization of future high-speed military data buses (NIAG or SAE 9) and also plans to standardize the transfer layer physical application interface. The ESD company has already developed a coupler for the transfer layer with built-in software thereby providing the complete function. In addition, the manufacturer is pursuing its work on technical improvements to the Digibus components.

The logic part of the standard bus coupler (COS) with 81 TTL chips on 5 multilayer boards that was the standard in 1976 became by 1980 a hybrid with a specific LSI and 17 chips standard. The third generation COS is now in the form of a hybrid with two LSI and 15 chips standard, regrouping the logic component and the transmitting-receiving function. As for the peripheral access coupler equipped with a microprocessor (CAM), it has now assumed the form of a single specific LSI circuit. The future lies with COS micros, a more integrated form of COS, with miniaturization of electronics components resulting in space gain, improved energy efficiency and greater reliability.

In addition, ESD is conducting studies on high-speed data buses. In the next five years, rates of 1 to 10 megabits per second can be realistically predicted. Since ECL technology allows a ceiling of 50 megabits per second, it is conceivable that even faster data buses will appear by 1990 to 1995. Indeed, ESD and the DRET [Directorate of Research and Technical Studies] have each contributed 50 percent to the financing of a project to research a 20 to 50 megabit per second bus; the project was initiated two years ago and its second phase will be construction. Such studies are also being conducted at ESD at the request of STTE. The firm also works in collaboration with Sagem with the SAE 9 group on the HSDB with American manufacturers. It is believed that concrete results should arise from the discussions near the end of this decade.

This suggests that the French fighter jet, or even the aircraft that the other European nations are planning to build, would not incorporate this high-speed bus but rather an improved bus of the Digibus a (or 1553) type. It should be noted that Rafale, which is an example of what the French fighter jet could be, is equipped with two Digibus, a choice dictated by security considerations. The number of data buses will be greater in the armed jet.

At this time, two groups are working in conjunction with the SAE 9 group, with one group on a looped communications network, the other on a linear architecture with "tokens," a system defended by ESD. This system has been selected but research on the loop network is continuing. It remains necessary to reach an agreement on a certain amount of decentralization of the linear system in order to take into account removal or reinstallation of equipment on the network and the problem of "restarting the token." Similarly, the participants need to choose certain options, particularly on hardware support for the network and the use of fiber optics.

MILITARY

FRANCE

BRIEFS

THOMSON UNDERWATER ACTIVITIES BRANCH--Thomson-CSF's Underwater Activities Branch and Sintra's Underwater Exploration Department have been merged by Thomson-CSF into a new company, Thomson-Sintra Underwater Activities to take the place of Thomson-Sintra ASM which closed last July. The company has a capital of 211 million francs and is two-thirds owned by Thomson-CSF, one-third owned by Sintra. Its chairman is Noel Claveloux, formerly the director of Thomson-CSF's Division of Underwater Activities and Sintra's DSM department. Thomson-Sintra Underwater Activities employs a staff of 2,800; its gross revenues are 1,100 million francs and orders in 1985 total 1,800 million francs. During past years, its activities have increased 20 percent per year and half of its revenues are earned through exports, primarily to Europe but also to the United States, the Far East and Latin America. The company devotes 40 percent of its activities to research and development for new products. The head office of Thomson-Sintra Underwater Activities is located at Cagnes-sur-Mer. This center, together with the Valbonne center where acoustic-electronic components are manufactured, specializes in autopiloting equipment for torpedoes, sonars, and submarine and surface vessel systems. The company also has a center at Acrueil (sonar, airborne underwater defense systems, tactical information processing and weapons launching systems for submarines and surface vessels), at Brest (mine warfare and countermeasures, civilian oceanographic applications, offshore), at Gradignan near Bordeaux (acoustic buoys), at Augagne (acoustic equipment), and in Toulon (specialized materials in the field). [Text] [Paris ELECTRONIQUE ACTUALITES in French 13 Sep 85 p 24] 12798

FRENCH DEFENSE BUDGET INCREASES--After two difficult years, a good budget: the Ministry of Defense is satisfied, for the most part. 158.3 billion Francs (excluding pensions) or an increase of roughly 2 percent in constant Francs following two years of no-growth according to official sources. The hard times are over, it is said at the Hotel de Brienne, although in some opposition circles, it is believed that it will be impossible to catch up the lag resulting from the lean years. [Text] [Paris AFP SCIENCES in French 19 Sep 85 p 3] 12798

CSO: 3519/1

MILITARY

NORWAY

HAAKON LIE, KNUT FRYDENLUND ON LABOR PARTY SECURITY POLICY

Lie's Advice Recommended to Brundtland

Oslo AFTENPOSTEN in Norwegian 23 Sep 85 p 2

[Editorial: "Leadership and Attitudes"]

[Text] The Labor Party's old champion, Haakon Lie, has fired off a new salvo: a firm course on security policy is necessary. The Labor Party will never get a clear majority until it regains its reliability on security policy. Once again we must agree with Haakon Lie. And we know that he speaks on behalf of many. He himself held his nose when he put the Labor Party's Oslo ballot into the ballot box on election day, knowing full well that 7 NATO opponents were at the top of the ballot.

In his latest book, "Fateful Years 1945-1950," Haakon Lie analyzes the long series of events which brought Norway into binding cooperative defense work in NATO. In those years the Labor Party had leaders, political personalities whose efforts and attitudes defined the outcome. And in statements made in connection with the publication of his book, Haakon Lie himself has made it clear that the whole book is about leadership and the significance of leading. Knowing Haakon Lie as we do, there is no doubt whatsoever that this is relevant to the current situation in the Labor Party as well. This is quite natural, because he still loves his party, despite all disappointments of a political and, to some extent, a personal nature.

So it is about leadership, about how important it is for Norway to have strong political leaders who are willing to withstand the pressure in an unrelenting fight for what they believe in. With respect to security policy, there are not many of the brave and courageous left in the Labor Party's leadership. Expedient considerations of party politics seem to have taken over completely. The result is that the Labor Party has sown doubt both at home and abroad about its positions on joint cooperative work in NATO, on which all of our security rests. We have no problem understanding what effect this slide on security policy must have had on party secretary and NATO defender Haakon Lie. He is disappointed that the Labor Party has forgotten the declared socialist message about solidarity and solidarity within the alliance as well.

At a press conference last Friday, Haakon Lie could not praise Gro Harlem Brundtland highly enough, for in her the Labor Party, for the first time in a long while, presumably has found a sovereign leader. Of course much depends on how the expression "sovereign leader" is defined, but we do not disagree that she has qualifications which enable her to lead her party with firmness and strength. Precisely on account of this, we are all the more disappointed that she has not shown the will to exercise that leadership which we have sought from her on security policy.

Haakon Lie ought to take the Labor Party leader aside and remind her of the responsibility she has if the Labor Party is to regain its reliability on security policy. To be sure, others have done so before and have not succeeded, but, in the light of the paramount significance of this matter, nothing should go untried. We wish Haakon Lie well. If there is anyone who can control the incredible obstinacy of the Labor Party's leader, it has to be him.

Former Foreign Minister Replies

Oslo AFTENPOSTEN in Norwegian 24 Sep 85 p 2

[Letter to the Editor by Memberr of Parliament Knut Frydenlund (Labor Party): "Reliability of Security Policy"]

[Text] In its editorial column on the 21st of this month, under the headline of "Reliability of Security Policy," AFTENPOSTEN wrote: "Frydenlund comes straightout and says that he does not object to Norway's turning up as a footnote country in the alliance." I did not say this. It is not the policy of the Labor Party either. On the contrary, within the alliance we want to work for our points of view, which are so much in step with and which correspond to broad currents in the other member countries that we will have enough allies.

What I did address in my article was the situation which the Willoch government maneuvered itself into when the United States' space weapons program was treated at the NATO defense ministers' meeting. It is simply not true, as AFTENPOSTEN wrote in its editorial that "as is known, unobtrusively but with a choice of words which cannot be misunderstood, the government has informed the United States that Norway does not wish to participate in what it understands to be the military party of the SDI program."

No, this was no unobtrusive operation. The day after the defense minister had given his endorsement of the American initiative at the NATO meeting, he announced from the speaker's chair in Parliament that Norway would naturally not take part in research. This announcement probably earned the Government broader international news coverage than any other decision it has made. It must also have caused a fairly energetic reaction from the Americans, inasmuch as at that moment it coincided with Defense Secretary Weinberger's assurances to the American people about full NATO support for the American program.

I assessed the situation in this way that, despite everything, it would have been more honest towards the Americans and the other allies to express the Norwegian point of view of this research at the meeting itself even if this were to lead to a footnote. But of course this has nothing to do with my main view of the footnote issue. Naturally the best thing would have been if the Government had presented this issue to the agencies of Parliament beforehand, as Parliament's rules of order prescribe. Then this entire situation could have been avoided. For this reason I entitled my article "A Piece of Good Advice." But now I have a better understanding of why AFTENPOSTEN changed this headline to "Honesty with a Footnote."

Now on the issue of appropriations to NATO's infrastructure program which both the AFTENPOSTEN editorial and Undersecretary Ungaard examine in their article "Frydenlund Opposed to Frightening Description." The real situation here is that in the fall of 1983 the Labor Party voted against the decision to install American medium-range missiles while negotiations were going on (in retrospect it turns out that on that occasion our proposal was well on its way to being identical to recommendations which Paul Nitze, the head of the American negotiating team, was making to Washington). But in Parliament the Labor Party did not oppose appropriations for Nato's infrastructure program. On one occasion, during the 1982 budget debate, the government had earmarked appropriations to prepare for the installation of medium-range missiles. On that occasion the Labor Party voted to postpone a decision on the matter until proposals for rearrangement the following autumn.

I report this because in his press conference for foreign journalists before the election Undersecretary Ungaard stated as a very serious matter that the Labor Party refuses to appropriate means for Nato's infrastructure program.

12789

CSO: 3639/4

MILITARY

NORWAY

AIR FORCE INSPECTOR: PILOT DISSATISFACTION WIDESPREAD

Oslo AFTENPOSTEN in Norwegian 17 Sep 85 p 82

[Article by Liv Hegna: "Unresolved Crisis in Air Force"]

[Text] A generally negative attitude prevails toward the pilot crisis measures which the government has taken. This is the distinct impression Air Force Inspector Colonel Jens Petter Andersen is left with after he toured the country's air stations in order to inform of the ministry's stipulations regarding implementation of the measures. Dissatisfaction was especially great in connection with the introduction of almost a two-salary system for pilots in the same squadron.

A certain quota of fighter pilots will get an offer of a bonus of 1.2 million kroner for continued service in the armed forces, while, as a rule, older and more experienced pilots in the same squadron will not get the same opportunity. The bonus arrangement is being offered to pilots under 35 years of age who will bind themselves to service in the air force instead of applying to SAS or other airlines. Colonel Andersen tells AFTENPOSTEN that pilots who want to participate in this arrangement must apply before 1 November in order to be taken into consideration.

Colonel Andersen stresses that he has not received any signals along the line of a /boycott/ [in italics] of the bonus system. He thinks that all who intend to remain in the armed forces will apply. Andersen visited Rygge, Vaernes, Ørlandet, Bodø, Bardufoss, Banak and Andøya. The mood was the same everywhere: No to a two-salary system for pilots in the same squadron. In addition, Andersen was able to make note of the fact that there are virtually no pilots who on a voluntary basis will sign a contract regarding split service, after compulsory service, between SAS and the air force.

[Question] It is claimed by the political leadership in the Defense Ministry that there "absolutely is interest in an arrangement with mixed service, even among pilots who have already gone over to SAS." Did you record anything like this?

[Answer] "I did not at all receive signals that anyone would agree to anything like this on a voluntary basis," Andersen says.

The report from Colonel Andersen's tour has been prepared and forwarded to the air force inspector general. It will soon be presented to the Defense Ministry for evaluation.

MILITARY

SWEDEN

CONSERVATIVE, SOCIALIST NEWSPAPERS ON COMMANDER'S FUNDS REPORT

'Defense Negativism' Charged Socialists

Stockholm SVENSKA DAGBLADET in Swedish 1 Oct 85 p 2

[Editorial: "Our Preparedness Is Poor"]

[Text] Sweden does not have a strong defense. We hardly even have a defense "considered strong for our circumstances," to use a politician's phrase which has been current among even the security policy speeches of the government's representatives.

The truth instead is that the Swedish defenses have been continuously weakened over a long period of years. The striking power of the defense forces has been reduced in relation to what it was previously and it has been reduced in relation to the strength of the outside world. Submarine violations and Sweden's more exposed situation have not brought about any awakening. Sweden's defenses continue to be weakened.

This weakening of our defensive strength is illuminated by figures in the report of the supreme commander of the Swedish Armed Forces [OB] entitled OB 85 which was presented yesterday. The OB's report does not contain anything new for the readers of SVENSKA DAGBLADET about the situation of the defense forces. The OB confirms that the air force and the navy have been cut in half in less than two decades. The number of combat units has been greatly reduced.

It is not like this in the world around us. While Sweden has neglected its defense appropriations, they have increased in many other countries. The powers which can threaten us have certainly not cut their vital combat forces in half. On the contrary. Today they can deploy more and more modern airplanes, ships and tanks than before. Mobility, firepower and readiness are steadily being improved. Sweden's relative defensive capability is therefore being continuously reduced.

Is this development really acceptable from a security policy perspective? During the postwar period the basic belief has been that the outermost defense for our neutrality is a strong defense. This principle is still hailed in speeches and demonstrations.

In reality politicians have undermined the defense as a security policy mainstay. The share of our resources devoted to military defense has continuously declined, and is now near a record low level. The Social Democrats have on certain occasions advocated an even faster decline. At the party congress in 1981 the party directors recommended reduced appropriations for the total defense, and a reduced share of this meager cake for the military. The decision of the party congress meant that the Theorin branch within the party had won after a 10-year struggle.

This defense negativism within the Social Democratic party influenced the 1982 defense decision. Despite the scant nonsocialist majority in the Riksdag the middle government approved a defense pattern tending toward the Social Democrats' disarmament efforts. And the Conservatives accepted the reduced appropriations. Six months after the U-137 episode the Swedish Riksdag voted for a weakened defense, and when the Social Democrats returned to power further resources were taken away from military appropriations.

It is now time to choose the way, and to do it with open eyes. Pretty words about the importance of defense do not provide protection. If Sweden is to maintain an armed policy of neutrality, a tangible economic investment is necessary. As the OB confirms, moving of funds between the service branches does not give a better balance if the total appropriation is too small.

If we continue reducing our defense appropriations, Sweden will have in fact chosen a new security policy course.

This would mean serious danger for our country, and would undermine stability in northern Europe. Sweden could soon be drawn into major weaponed conflicts. As a unified defense committee maintained last spring, the risks are thereby increased that nuclear weapons could even be used against Swedish territory.

The other way is the one which the OB points out. He states that it is particularly important that national authorities, in the impending defense decision, "take a clear and unequivocal position against a continued hollowing-out of the defense forces' strength in relation to developments in the outside world."

In order to counteract this disarmament the OB presents a proposal which would include three percent annual increases in defense appropriations during the next period of the defense decision 1987-1992. With such a framework there can be certain reinforcements of vital parts of the defense. Among other things there would be room for expansion of fighter planes and submarines.

Of the four alternatives which the OB examines, this is the only one which can constitute the basis for the defense committee's continued activity. The others, although in varying degrees, involved continued dismantling of our defensive strength.

4 November 1985

Naturally it is not even granted that this highest OB level is sufficient. The OB himself says that this higher alternative will not lead to a relative increase in Swedish defense capability. The OB offers unchanged defense capability and not more.

In order to compensate for previous sins of omission it may turn out to be necessary to add additional resources. We should not first think of kronor and ore, but rather what we need in terms of military defense in order to support our security policy. Then Sweden's peace and freedom can cost what it must.

Commander's Concerns 'Exaggerated'

Stockholm SVENSKA DAGBLADET in Swedish 2 Oct 85 p 2

[Editorial Roundup from ARBEIDERBLADET]

[Excerpts] The OB's concerns are considerably exaggerated, writes ARBEIDERBLADET:

"Lennart Ljung, the country's dauntless OB, has at the request of the government presented three budgets for our future defense. For safety's sake he has presented a fourth alternative also, his own. Not surprisingly, Ljung's own proposal was the most expensive. It would increase the existing defense appropriations by an additional 2.7 billion kronor each year until 1990. 'We are at a crossroads and must choose the way,' said the OB cryptically. We understand what he means, but we find his concerns considerably exaggerated."

9287

CSO: 3650/19

ECONOMIC

AUSTRIA

POLICY OF RESTRICTED EXPORT GUARANTEES CONTINUES

Vienna DIE PRESSE in German 20 Sep 85 p 20

[Article by Margarete Freisinger: "Export Guarantees Handled Restrictively
--Cheap World Bank Financing in Sight"]

[Text] Despite many complaints from export firms, the policy of state export guarantees, handled more restrictively since the beginning of the year, is not being relaxed. Reason: the continuing precarious situation of many developing countries, and the tight budget situation. The upcoming conclusion of a co-financing agreement with the World Bank in the amount of 1 billion schillings will bring some small relief to exporters. For projects yet to be designated, this will make possible an export loan interest rate of only 3 percent.

There are always complaints about the state system of export guarantees. The National Bank always advises caution, pointing to the great risks involved in exporting to many countries, and various experts repeatedly stressed the effect of the guarantees as "preserving structures." Since the beginning of 1985, the Kontrollbank, in charge of carrying out the guarantee system, has taken this into account through a somewhat more restrictive processing.

This, in turn, encounters the criticism of some exporters: they complain that, at present, longer-term and larger export deals with all of Latin America are not guaranteed. And, as one expert expresses it, in general there are "a number of bad feelings" about the guarantee system. Smaller private firms feel disadvantaged vis-a-vis larger, and particularly state-owned, enterprises, and vice versa. For this reason, the system is to be made "clearer" without any great material changes.

Substantial material changes are not possible for the reason that they could only be financed through higher guarantee payments, or through subsidies from the budget. Furthermore, Austria cannot relax its guarantee policy when other industrial states are stepping on the brakes, as is the case at present, because then the "bad risks would be shifted to Austria." Budgetary problems are also cited as the reason for refusing the desire of

the machine industry for cheaper loans within the framework of state promotion of exports, since they would have to come from the national budget. Also, one shies away from creating such precedents. However, such a precedent has perhaps been created on a different level through granting China a loan with only a 6 percent interest rate for the purchase of Austrian hydro-electric power plants.

The export industry places its hopes on co-financing with the World Bank in the amount of 1 billion schillings, to be raised jointly with domestic financial institutions. The 3 percent interest rate is made possible through interest support from the budget, from export promotion, and funds of the Bundeskammer.

There are only a few countries at present to which exports are not guaranteed. Among them are Bangladesh, Vietnam, Kampuchea, Tanzania, Uganda, Zaire, the Central African Republic, and Zambia. Otherwise, short-term and smaller export deals with problem countries are guaranteed after a case-to-case examination, but not larger and longer-term ones. The Kontrollbank says, "we want to keep the markets open, but not go into market development." For example, guarantees for spare parts exports are granted after previous deliveries, as a rule.

At present, the "sore point" is Latin America. The export industry argues that in the case of some countries, "too hard a line" has been taken. Among them is Chile, which managed to negotiate a very favorable debt rescheduling, pays its interest--in contrast with other countries--, and is hardly in arrears with transfers; or Ecuador, which achieves notable balance of trade surpluses.

North Korea, a problem country of long standing, this year has again stopped repayment of debts and interest to Austria so that only smaller supply deals are possible on the basis of credit terms. In the case of Poland, after concluding a debt rescheduling agreement, a new Austrian loan of 800 million schillings opened up prospects for new, short-term exports.

During the first half of the year 1985, the Kontrollbank assumed export guarantees of only 9 billion schillings net, compared to 20 billion schillings in the comparable period of the preceding year, which, not least of all, is tied to the fact that the export boom was achieved primarily in the OECD area. In export financing, repayments outweighed new loans. So the Kontrollbank had to take up new credits and loans only for repayments--35 billion schillings by the end of August--, which was mostly done abroad. Since Kontrollbank financing with an average of 9 percent (including guarantee payment) is relatively expensive, frequently the enterprises can finance themselves more cheaply through their domestic banks, which have great liquidity, anyway.

Industry hopes that export financing will soon become cheaper within the framework of generally declining interest rates. A capital increase of rediscounts, unchanged at 8.8 billion schillings in the last 2 years, by the National Bank for exports by medium-sized enterprises is being urged. This financing costs only 5 percent interest.

ECONOMIC

DENMARK

BANK PREDICTS INCREASED EXPORTS, LOWER PRIVATE CONSUMPTION

Production Freed for Exports

Copenhagen BERLINGSKE TIDENDE in Danish 17 Sep 85 Sec III p 14

[Text] The Bank of Denmark predicts a decline in private consumption due to less growth in employment. Danish production will thus be freed for exports.

"Exports are on the increase and an untimely tightening of our fiscal policy could adversely affect production and employment," said Jorgen Ronnest, head of the Bank of Denmark's Economics Department. Ronnest predicts that Denmark's improved competitiveness together with greater demands abroad, only slightly less than in 1985, will mean an almost 5-percent increase in the volume of exports in 1986.

Ronnest's ideas are presented in the latest issue of ORIENTERING, the bank periodical. He expects private consumption to go up by 1 percent in 1986, moderated by lower wage increases and less growth in employment compared to 1985. Some of our industrial production will thus be freed for exports.

Inflation will go down to about 3.5 percent in 1986; wages will increase by an average of 3 percent. According to predictions, employment growth in 1986 will be less than in 1985. Since fewer workers will be entering the labor market, unemployment will likely drop to about 9.5 percent.

Oil prices will decline in 1986, providing substantial savings. The balance-of-payment deficit will also be affected by the price of oil, declining to about 12 billion kroner in 1986. The deficit is expected to reach almost 20 billion kroner this year.

Meanwhile Trade Deficit Continuing

Copenhagen BERLINGSKE TIDENDE in Danish 18 Sep 85 Sect III p 6

[Text] Nice Growth in Export Volume

Continued strong growth in the Danish economy has led to considerable activity in the area of foreign trade, imports as well as exports. Domestic demands

are still up, partly due to industry's greater investments in new production equipment and partly due to increased private consumption spurred by greater combined household incomes and more employment.

Imports

However, due to excess imports in July valued at 1.3 billion kroner, the total deficit for January-July was 7.3 billion kroner, including ships, compared to 4.6 billion for the same period last year.

For the first 7 months of 1985, Danish imports--in terms of value--showed an increase of more than 12 percent compared to the same period last year.

The largest share of the increase, valued at 11.9 billion kroner, represents raw materials and semi-manufactured goods, constituting almost half of all Danish imports.

Since imported raw materials and semi-manufactured goods are further processed in Denmark, they not only represent domestic consumption and investment, but in part provide the basis for Danish exports as well.

According to the accompanying table, the largest increases (in percent) represent durable goods like machines and major equipment (23 percent), passenger cars (16 percent) and articles of consumption (14 percent).

Raw materials and semi-manufactured goods represent imports for further use in agriculture, building and plant construction and in manufacturing (municipal industries).

During the period in question, the value of imported raw materials for use in agriculture was about 0.5 billion kroner less than for the same period last year due to less importation of certain feeds.

Due to increased construction, building and plant sector imports rose by about 11 percent for the period.

The manufacturing industry was responsible for a rise in imports of more than 3 billion kroner (approximately 9 percent), and, according to specific figures, across a broad front, i.e., goods for both domestic and export industries.

The value of imported passenger cars rose by 0.5 billion kroner, or 16 percent. The value of imported passenger cars, 3.6 billion kroner, represents about 3 percent of the total value of Danish imports, 109 billion kroner, for the first 7 months of 1985.

Articles-of-consumption imports rose by 2.4 billion kroner (14 percent) during the first 7 months of 1985. Looking at the specific figures, the strong growth was in clothing and footwear (24 percent). This development was substantiated by recently published retail sales figures.

Exports

The value of Danish exports for the first 7 months of 1985 is supposed to have risen only 10 percent, totaling 101.5 billion kroner, compared to 92.3 billion kroner for the same period last year.

This does not represent a bad development in exports. However, based on a quick evaluation, one might say that exports are not keeping up with the growth in imports.

According to the accompanying foreign trade table, the increased volume of exports over the last 3 months was 7 percent above that of the same period last year. Export figures for both June and July were quite nice and indications are that the volume will continue at this level for the next few months.

Trade Ratio

Prices on exported goods have been in line with import prices for the last 3 months, up 3 to 4 percent relative to the same period last year.

The trade ratio--expressing the relationship between export and import prices--has thus remained more or less constant. For the month of July, the trade ratio was 99, with 1980-100, or unchanged compared to July of 1984.

Principal Trends

--The first 7 months of this year, excess Danish imports amounted to 7.3 billion kroner, an increase of 2.7 billion kroner compared to the same period last year.

--Imports rose by more than 12 percent the first 7 months of 1985. Percentage-wise, durable goods accounted for the greatest increase.

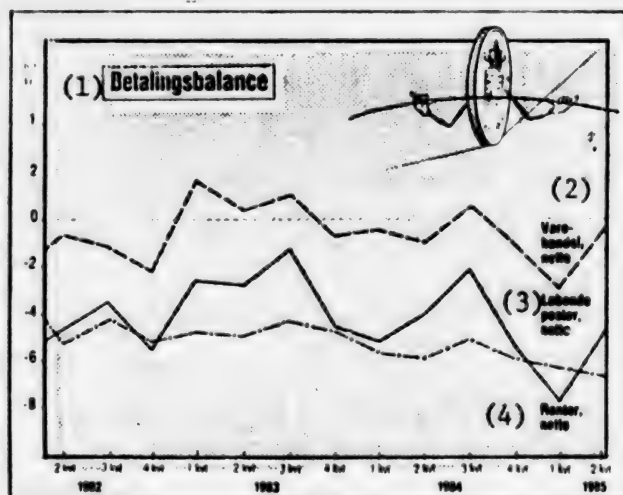
--The value of exported goods for the period January-July was only 10 percent above that of the same period last year.

--The trade ratio--the relationship between export and import prices--has largely remained unchanged for the last few months.

<u>Foreign Trade</u>	<u>Last</u>	<u>Level</u>	*) Percent Change	
			<u>1 mo. o.</u>	<u>3 mos. o.</u>
<u>Excluding ships and planes</u>	<u>Period</u>		<u>1 year</u>	<u>1 year</u>
Seasonal quotas (bil. kr.)				
Export of goods, total	July	14.7	7	10
Farm animal products	July	1.9	6	5
Industrial prods., total	July	10.3	3	6
Imported goods, total	July	16.3	11	12
Raw materials, total	July	7.7	7	8
Fuel	July	2.3	-8	-1

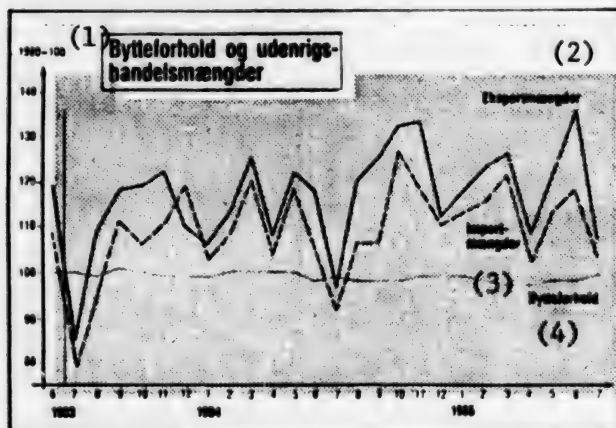
Machines and other equipment	July	1.8	29	30
Consumer goods	July	3.0	11	14
Volume (1980=100 kr.)				
Export, total	July	106	10	7
Import, total	July	103	13	6
Trade ratio (190=100)		99	0	-1

*) 1 mo o. 1 year expresses change in percent for the last month compared to the same month a year ago; 3 mos. o. 1 year expresses the corresponding change on the basis of 3 months.



Only three times since the 1st quarter of 1982 has the balance-of-payment (net current expenses) deficit been greater than the interest-payment deficit, which means that with 0 net interest payments we would have had a balance-of-payment surplus in 11 out of 14 quarters since the beginning of 1982.

KEY: (1) Balance of Payment
 (2) Net Trade
 (3) Net Current Expenses
 (4) Net Interest



Trade ratio and foreign trade volume: The export volume index has been higher than the import volume index since December, 1983, but without the desired growth in the difference between them. At the same time, there has only been a slight change in the trade ratio.

KEY: (1) Trade Ratio and Foreign Trade Volume
 (2) Export Volume
 (3) Import Volume
 (4) Trade Ratio

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 CSO: 3613/207

ECONOMIC

FEDERAL REPUBLIC OF GERMANY

CABINET SPOKESMAN SEES GROWTH, INCREASED EMPLOYMENT FOR 1986

Munich SUEDEDEUTSCHE ZEITUNG in German 10 Aug 85 p 33

[Article by for: "Bonn Offers Favorable Outlook for 1986. Schlecht: 2.5 Percent Growth and Reduced Unemployment"]

[Text] In a markedly optimistic assessment of the economic situation, Undersecretary Otto Schlecht of the Ministry for Economics has predicted 2.5 percent real economic growth for 1986, a decrease to 2 percent in the rate of price increases and reduced unemployment. According to Schlecht, the FRG economy is clearly in the process of expanding. Schlecht characterized demands for better financing of employment programs in place of scheduled tax relief or introducing a supplementary tax as counterproductive "economic Muenchhausen remedies."

The undersecretary based his optimism on indicators, which in his opinion are unambiguous, showing that "the upswing" will continue "for a third year as well without interruption." In addition to viewing exports as an economic engine, which last year made a decisive contribution to the development of growth, investment activity has come to be viewed as the second engine of the upswing this year, primarily because of intensified domestic demand. Following a growth rate of 0.5 percent in the first quarter and 3.5 percent in the second, the gross social product in the second half-year will increase by about 3 percent so that the rate for the year as a whole will be a real 2.5 percent.

"Increase Halted in 1983"

Schlecht judged the situation in the labor market as "completely unsatisfactory," but rejected the claim that the situation will continue to worsen. Rather, based on the number of people employed, there are signs of a gradual recovery in the labor market. Except for the construction industry, which is still the problem child of the economy, the number of people employed this year will increase by about 200,000 compared with 1984. According to Schlecht, since mid-1983 the increase in unemployment has practically stopped. Seasonally adjusted the unemployment figures hover at approximately the same level of about 2.25 million. In 1985 there will be no change in this.

According to Schlecht, development this year is a good basic requirement for the economic situation in 1986. Just as in 1985, 2.5 percent real economic growth can be anticipated. Of course, growth in exports, which this year will presumably result in a surplus of DM70 billion, will weaken, yet the export business will continue to be dynamic. This is true in spite of a trend toward declining exchange rates for the dollar. Because of the strong dependence of world trade on the U.S. economy there will be modest slumps. In the Ministry for Economics, the assumption is that the weakening of growth in the United States will not continue in any dramatic way. According to Schlecht, "the United States as an economic engine will be downshifted, but without cracking the transmission or landing hard in the recession ditch."

Schlecht's predictions for further investment activity sound decidedly favorable. A strengthening of the dynamics can be inferred because of favorable yields, improved sales expectations, extensively normalized utilization of capacity and a pressure to "maintain investment" following the introduction of new technologies. Even in housing construction it may be that in 1986 the bottom of the valley will be passed through so that there will again be an increase in production activity.

Stronger Domestic Demand

Against the background of tax relief, increasing employment, continuing smooth price development and increased growth in transfer payments Schlecht anticipates a further increase in private consumption. The forces of growth accordingly shifted more strongly from foreign to domestic demand. To what extent this development will result in reduced unemployment is difficult to predict. This also depends on the factors of early retirement, reduced overtime, flexible work time and more training. However, in 1986, for the first time, a clear decrease in the unemployment rate appears possible.

12124

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4 November 1985

ECONOMIC

FEDERAL REPUBLIC OF GERMANY

BONN INTENSIFIES INDUSTRIAL COUNTERESPIONAGE EFFORTS

Duesseldorf WIRTSCHAFTSWOCHE in German 6 Sept 85 pp 14-16

[Unattributed article: "Grave Shortcomings"]

[Text] Even before the latest espionage scandal, the Bonn Ministry for Economics began correcting shortcomings that were uncovered in industrial security: those having access to secrets--from welder to manager--in future will be investigated more frequently and more thoroughly.

In the turmoil of the Bonn espionage scandal, industrial security experts of the Ministry for Economics act relaxed. "The MBB man Rotsch," says senior ministry official Theodor Koenig, director of the department of industrial security, "is our first and only case." Manfred Rotsch, until his arrest in September 1984 department manager in the air and space corporation Messerschmitt-Boelkow-Blohm (MBB), was indicted last month by federal attorney general Kurt Rebmann for espionage in a particularly grave case.

Rotsch, allegedly recruited by the Soviet KGB as early as the 1950's, and who supposedly betrayed, among other things, the plans of the Tornado fighter plane, had passed the security checks by the Ministry for Economics without a hitch. Industrial security is one of the almost unknown tasks of the ministry. The ministry's security people are concerned exclusively with the secrecy of appropriate state contracts, mostly armament contracts of the Ministry of Defense, but also research and development contracts of the Research Ministry with industrial enterprises.

Over-all, the Bonn Economic Ministry has stored the data of 60,000 persons having access to secrets in industry--from file clerks to engineers to top management. Over 30 officials in the ministry work on industrial security.

Although Rotsch so far is the only agent uncovered among those with access to secrets in the files of the Economics Ministry, in solving the espionage case Minister for Economics Martin Bangemann had to admit to grave shortcomings in the security service. On 7 March 1966, after the security check in which the Federal Office for the Protection of the Constitution also participated, Rotsch was cleared to handle classified

documents up to the classification of "VS - secret." Seventeen years passed before a "repeat check" (security jargon) was done; according to regulations, a smaller investigation is to be carried out every 5 years, and an extensive one every 10 years. And Rotsch was not a unique case: a total of 19,000 repeat checks were not carried out because of "personnel shortages."

Bangemann's protectors of secrets claim, however, that they had started to work on the control backlog before the MBB man was unmasked--6,000 to 7,000 cases annually of repeat investigations. Koenig stresses that at this time, no security check is older than 10 years.

In addition, there are about 6,000 "entry checks" annually. In them are checked the curriculum vitae of those staff members who are to be given access to state secrets for the first time. Its basis is a 7-page questionnaire, asking about places of residence during the last 10 years, about "close relatives living in the communist sphere of influence," and about membership in "communist or other left radical or right radical parties and organizations."

In the case of personnel with clearance who are to gain access to the highest classification ("Classified document - top secret"), friends and acquaintances are also investigated by the intelligence service.

The purpose of the security check is to establish whether the person concerned--as stated in the "handbook of industrial security" published by the ministry--"avows allegiance to the free democratic basic order, and does not give occasion for doubts about his reliability through his past, his character, his habits and his friends." In the eyes of the industrial security people, convinced followers of the German Communist Party are as unreliable as gamblers, alcoholics or people with a long record of prior convictions. But access to state secrets is also denied to people who "frequently or regularly travel to the communist sphere of influence", or have "close relatives" in the East Bloc.

The Bonn ministry people know that they could hardly ferret out "carefully built up agents" with their investigative methods. Industrial security group leader Wenzel Borucki says: "But we are raising the threshold." In the experience of the Office for the Protection of the Constitution, there is plenty of cause for that.

According to statements by the former president of the Office for the Protection of the Constitution, Heribert Hellenbroich, who just resigned from the top job in the Federal Intelligence Service, in the late 1970's alone there were 400 to 500 GDR agents active in West German enterprises. Hellenbroich based this estimate on statements by GDR secret service officer Werner Stiller, who defected at that time.

The protectors of security have already learned a lesson from the Rotsch case and the uncovered shortcomings. According to Koenig, in addition to more intensive investigation of those with access to secrets, they have also started to expand constant training for them. Furthermore, they also

carry out more controls in the enterprises themselves, in order to examine the work processes for security gaps and to check out security measures.

The ministry officials do not think much of having the industrial security service taken over by the Office for the Protection of the Constitution, as formerly advocated by Hellenbroich, or being absorbed by the Defense Ministry's military counterintelligence. "Even with Defense Ministry contracts we want as much competition as possible," a Bangemann employee had argued at the beginning of the year, "and therefore we want to avoid a breakdown between particularly active security people of the enterprises and the officials awarding the contracts" (WIRTSCHAFTSWOCHE 5/1985). And security service expert Borucki sees no reason for a merger with the Protectors of the Constitution: "No noticeable gain for security could be expected."

It is, however, more than questionable that the Rotsch case will remain an isolated event for the security service. Former Protection of the Constitution president Hellenbroich had already had a premonition in the fall of last year: "We must start from the premise that, of a certainty, the enemy has placed agents like Rotsch elsewhere, also."

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CS0: 3620/6

ECONOMIC

FEDERAL REPUBLIC OF GERMANY

COALITION CONTROVERSY OVER PRIVATIZATION OF LUFTHANSA

Strauss Rejects Partial Denationalization

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 20 Sep 85 p 13

[Article by Ho: "Will Privatization of Lufthansa Fail Because of Strauss?" Against Any Changes in Investment Situation / Threatens with Upper House of Parliament / Letter to Kohl.]

[Text] Bavarian Minister President Franz Josef Strauss has come out strongly against any kind of partial privatization of Deutsche Lufthansa. In a 6-page letter to Federal Chancellor Kohl, Strauss leaves no doubt that he considers inappropriate all proposals by Finance Minister Gerhard Stoltenberg regarding the sale of federally owned Lufthansa shares to private parties. Even the latest proposal of a "holding model," under which 10 percent of Lufthansa's federally owned capital stock is to be placed in a financial holding company, encounters the strong resistance of the Bavarian minister president. Only the "Abs Plan," under which the federal government, through a capital increase and waiving its own subscription rights, would make preferred shares available to private investors and Lufthansa employees, has the approval of the Bavarian minister president. Since the plan, presented by the honorary chairman of the supervisory board of the Deutsche Bank, Hermann Josef Abs, does not bring about changes in the government's influence over Lufthansa, it is unacceptable to Stoltenberg.

The Federal Ministry of Finance acts helpless vis-a-vis Strauss' unrelenting attitude. The finance ministry is annoyed that Strauss' letter (dated 18 August) was sent on to them, the central coordinating office, only after a delay by the Federal Chancellery. There was also surprise that the Bavarian prime minister not only criticizes Stoltenberg's tactics in the question of privatization, but that he even threatens with an open "No" of the Bavarian votes in the Upper House of Parliament. Bavaria's approval of the holding model will not be obtained in the Upper House of Parliament.

Strauss points out in detail that, for many reasons, a close connection between Lufthansa and the state is absolutely necessary. Among other points, he cites the upcoming negotiations with the GDR on landing rights in the other part of Germany, starting "politically significant routes"

outside of Europe, and the presence of Lufthansa in a defense situation. Furthermore, the federal government's influence on the enterprise's procurement policy must be fully maintained. Strauss writes that, "in view of the methods employed more and more in the sale of planes, which hardly have anything to do with fair competition any longer, it must be ensured that, in the case of two products of the same quality, the national product receives preference." Here, he hints at the sale to Lufthansa of airbus planes which are of particular concern to him in his capacity as chairman of the supervisory board of Deutsche Airbus GmbH.

The "holding model," with which Stoltenberg tried to overcome Strauss' reservations about a possible foreign swamping of Lufthansa, does not get the approval of the Bavarian minister president because it would bring about "considerable loss of government influence." The transfer of 10 percent of Lufthansa shares (the equivalent of DM 90 million) to an intermediate holding company, and the sale of an additional 14.9 percent of shares to small shareholders would reduce the government's voting rights of shares to less than 65 percent. However, a government majority of at least 75 percent is needed to push through a capital increase through issuance of non-voting preferred shares, limited capital increase and other important business policy goals. Strauss writes, "I also see an essential disadvantage in the fact that a change in the government's investment shares would also have consequences for the composition of the supervisory board."

Concern About Government Influence

For the government to maintain its three-quarter majority in Lufthansa under any and all circumstances, in principle it must fully exercise its subscription rights in future capital increases. "Should important reasons prevent such participation," the "Abs Plan" would be the only acceptable way. Under it, the existing voting ratios in the general meeting would not change. What is in favor of the "Abs model," according to Strauss, is the fact that Lufthansa's own resources could be strengthened, and that, with the issuance of employees' shares, a "social emphasis" could be realized at the same time.

The "Abs Plan" probably would also be acceptable to the trade unions, while Stoltenberg's holding model would encounter their massive resistance. Lastly, Strauss states critically that Stoltenberg and Bangemann are only concerned about the "how" of Lufthansa's privatization. Conversely, they do not answer the question why the government's important interest in the enterprise no longer exists today. "I ask myself how the Federal Minister of Finance intends to implement his privatization plans with such tactics."

Munich, 19 Sep (dpa/vwd). Franz Josef Strauss, chairman of the supervisory board of Deutsche Airbus GmbH, has announced a final purchase and options contract with Deutsche Lufthansa AG for 50 airbuses on the occasion of the colloquium of the West European Union (WEU) in Munich. The contract in the amount of about DM 6 billion is to be signed today, Friday. It comprises

the purchase of 15 airbuses of the type A 320, 7 airbuses of the type A 300-600, and option on 26 additional A 230 and 3 A 300-600, including replacement parts. As of 1989, the first planes are to replace Boeings 727.

FDP Defends Ownership Policy

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 23 Sep 85 p 13

[Article by Ho: "The Bavarian Don Quijote on the Attack" / FDP: Lufthansa Privatization Despite Strauss, if Necessary]

Text The surprisingly strong refusal by Bavarian Minister President Franz Josef Strauss of the plans by Federal Finance Minister Gerhard Stoltenberg for partial privatization of Deutsche Lufthansa, has provoked reactions in the FDP. With regard to the Bavarian minister president's letter to Federal Chancellor Helmut Kohl (published by this newspaper, F.A.Z. of 20 Sep), FDP Secretary General Dr Helmut Haussmann is of the opinion that Strauss' criticism cannot deter the Bonn government from implementing the "policy of free market renewal," even against resistance from Munich. The letter "is not helpful in form, and incorrect in substance." The "windmill attacks by the Bavarian Don Quijote" upon a Bonn government policy, founded in substance and closely correlated with the coalition, would "blow away ineffectually."

Haussmann avows that the partial privatization of Lufthansa, still intended by Finance Minister Stoltenberg, will be emphatically pushed ahead. A reduction of the government's share of Lufthansa's stock capital from not quite 80 percent to 55 percent, and the inclusion of a finance holding company, would not lead to a swamping of the enterprise by private investors, but would continue to ensure government influence. Furthermore, the instruments of traffic laws and licensing provisos are a guarantee that the government will implement its traffic policy goals in Lufthansa's national as well as international traffic. The FDP supports Gerhard Stoltenberg's and Martin Bangemann's efforts to utilize the regulatory latitude for partial privatization of Lufthansa, even against Strauss' resistance. State secretary Edmund Stoiber, director of the Bavarian State Chancellery, opined on Haussmann's statements that Haussmann is not aware of Lufthansa's "special status" in the question of privatization. Privatization of federal participations must not end up in "selling off" enterprises which are of national interest.

9917

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4 November 1985

ECONOMIC

FEDERAL REPUBLIC OF GERMANY

SAARSTAHL CONSIDERS FURTHER STAFF REDUCTION

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 19 Sep 85 p 15

[Article by hof: "Saarstahl Considers Further Personnel Reduction." Based on Proposals by Roland Berger / Brussels Expects Presentation at the End of October]

[Text] Not only at the Saar river are expectations focused on the enterprise concept, to be newly revised and submitted by Arbed Saarstahl in Brussels by the end of October. Only on condition of another such revision is the EC Commission in Brussels willing to approve subsidies of DM 350 million, applied for by way of precaution, for 1986-87; the source of the funds is still unclear. Munich industrial consultant Roland Berger & Partner is to submit proposals on this, shortly. In earlier drafts, Berger saw an efficiency potential of 800 to 1300 job reductions at Saarstahl. It remains to be seen how many of them he can now find and identify. Personnel reductions of this size, primarily in the administrative area, will have to be implemented by Saarstahl, if the total number of personnel of about 11,800 employees (including 800 apprentices), planned for the end of 1987, is to be realized.

The government of Saarland is trying to find placements for these additional 800 to 1,300 unemployed via an employment association (F.A.Z. of 22 July). The major problem of such an association, which is to operate with retraining funds from the Federal Labor Office, evidently lies less in its legal structure and financing than in its acceptance in the Saarland. Above all, employees, and thus the trade unions, would have to be willing to approve that dismissed personnel--by giving up expensive social benefits--continue employment in such an association which is to offer its services to third parties. Economics minister Hajo Hoffmann, father of this idea, sees a growing understanding of employees "that this is the most intelligent way to cope with crisis."

As before, there is still no serious potential industrial buyer for Arbed Saarstahl in its present condition. True, the relatively short expert opinion by steel industrialist Korf (about 10 pages and an appendix) for the Saarland government did bring forth a few interested parties. And knowledgeable observers read an interest by Korf between the lines of the Korf expert opinion itself; it certifies that Arbed Saarstahl is worthy and capable of being restructured; it advises some organizational changes,

the sale of some investments in other companies, and taking up new activities such as further processing.

But the precondition for any serious interest is debt clearance of the enterprise. The government of Saarland insists, therefore, that the federal government stand security for publicly guaranteed loans of the enterprise, and not only for those guaranteed by the federal government, but also those secured by Saarland--which the federal government has refused repeatedly--, "or else, find some other kind of assistance."

The better business trend at Arbed Saarlust continues. During the 7 months of 1985, crude steel production rose by 6.5 percent to 1.6 million tons, while losses dropped by DM 50 million compared to the same period in 1984. As far as can be seen today, Arbed Saarlust can manage with the assistance of DM 200 million passed by the Saarland Landtag at the beginning of the year. Management chairman Kurt E. Kuehn, after the surprising resignation of technical manager Dr Hans Georg Rosenstock, now directs not only the financial sector, but also the technical sector. Evidently this must not be seen as a temporary solution.

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ECONOMIC

TURKEY

SULEYMAN DEMIREL ON TURKISH ECONOMY

Istanbul CUMHURIYET in Turkish 25 Aug 85 p 9

[Interview with former Prime Minister Suleyman Demirel by CUMHURIYET Economic Service Chief Osman Ulagay; date, place not given]

[Text] "Dialogue on the Economy" has as its guest this week Suleyman Demirel. Mr Demirel was closely concerned with economic matters while prime minister, but thinks that, in today's Turkey, nothing but the economy is being discussed and that it is not right to talk of the economy in isolation, to discuss nothing but the economy. We talked with Suleyman Demirel about the place of economic problems among other problems and what has been happening in the Turkish economy in the past 5 or 6 years.

[Question] Mr Demirel, when you were asked about your economic policy proposals at a speech you once made, you said something like, "It has been our practice in the past to put ourselves in a theoretical situation. That is still what we would do." It seems to me that there have been rather different developments in the Turkish economy since the 1970's, that it has reached a rather different point. For this reason, I have been wanting to ask you how you would assess the situation if you were to look at the problem today.

[Answer] The existence of a seeking in Turkey's economic progress, a seeking such as, "I wonder if there is a different way," seems to have prompted you to direct this question to me. First let me say this, that the economic policy is only one of a state's or a country's policies. A country or state also has its national education policy, its national defense policy, its national cultural policy, its health policy, its housing policy and its social security policy, as well as its social solidarity policies. If you push aside all of these policies and confine state policy entirely to economics, you will have neglected those other policies. All Turkey is talking about is the economy, but Turkey has other affairs besides the economy. The fact is the economy is not an end in itself. The economy is a means. What is it a means to? It is the means for procuring national peace and prosperity. Of course, in procuring this peace and prosperity, there are things that can be measured in numbers and money and things which cannot. The fact is, well, to my way of thinking, that the things which cannot be measured numerically are more important than those which can. I will tell you on this score that the arguments, or rather judgments, that are fashionable today such as, "Turkey's problem is only the economy, nothing else," are ones in which I could never join."

[Question] Such an assessment has probably been made in recent years and it has been said, "The economy is improving," without much looking at the state of society and the people....

[Answer] It is a fine thing, of course, for the economy to be going well, if, in fact, it is. But doing so much to improve one of the numerous services of the state, just one of the various services a society needs, and leaving the others far behind creates an imbalance. I have been saying this for 25 years, and what I am talking about is total development. The economy is one part of total development, one phase. It is important, of course. But when one speaks of total development it is necessary to take everything together, economic and social development, cultural development. And the state is needed to do this. If you leave things to themselves, development in certain areas may go in undesirable directions or may go further than desired and one sector may be left far behind. For example, according to the World Bank's ranking of 126 countries, Turkey is in 120th place as to number of hospital beds and is among the worst 10 in income distribution, ranking eighth. Let us say that Turkey is among the top 10 of the 126 countries in growth rate and increased exports, but in the lowest 10 for income distribution, unemployment, hospital beds per capita and doctors per capita. It is not, in any case, a cheerful picture.

[Question] Mr Demirel, I would like to repeat my earlier question now that you have drawn this framework: What is your assessment of the point at which the Turkish economy has arrived today?

[Answer] First you are saying that a new point has been reached in the Turkish economy. What point? People say, "Well, Turkey's economic structure has changed. Well, Turkey has opened to the outside." These are slogans. A slogan, to me, is this: When one repeats a slogan, he is telling his mind not to bother thinking about the implications. But when a little thought is given to it, it has no depth. Slogans are not principles, you cannot govern with slogans and there is no excuse for governing with slogans. Now when you say the economy has come to a new point, where has it come? Unless you explain that, unless you give details and compare it with the previous period, it does not mean anything to claim that the economy has come to a new point. Turkey was not established just today. It was not established 5 years ago, either. This is not the first time one has ever heard of the economy in Turkey, either, or of development. So, to turn it all into slogans and make it incomprehensible, losing any ability to make judgments, is, in my opinion, wrong, or rather, misleading. Let us go back, then, and see to what point the economy has come. We have the Fifth 5-Year Plan. That means Turkey has made a plan five times. There is sufficient data here, I think, to make judgments on many things. It makes no sense to me to hide behind general terms instead of doing this, as these general terms are often empty words.

[Question] Where should we look first, in your view?

[Answer] Everyone does not have the same answer to this. The standards which define the economy, regardless of the way of thought or political preference, are quite close to one another. For example: Is the economy growing from one year to the next, is this growth stable? To what degree is it responding to

the country's major problems? Is the economy improving or worsening? Is the country's production force being utilized in the most efficient way? Can this production force be enlarged? What is the status of the infrastructure?

[Question] What if we were to look at the present situation and the claims, for example, that there has been a structural change in the economy?

[Answer] Yes, now I would like to get around to the matter of the structural change: What in the structure has changed? Excluding the unemployed, 55 percent of Turkey's employable population is still working in agriculture. I would understand a structural change to mean reducing this to 45 percent or 35 percent. No European country has a rate above 20 percent. I wonder if Turkey has accomplished anything in the past 4-5 years towards changing from an agrarian economy, an agricultural economy, to an industrial economy? This is what structural change means to me. Second, I wonder if Turkey has brought new technologies to its existing industrial plant or if its industry has gained significant power to compete? Or has it been able to establish some new industries with the new technologies? If none of these has been done, then it means nothing to say, "The structure of Turkey's economy has changed." Another point, too, has to do with the banks. The function of the banking system is to collect voluntary deposits, voluntary savings, and inject them into the economic structure. This is very important. I wonder if the voluntary savings coming into the banks in Turkey have gone primarily to industry, agriculture, tourism and services, if they have helped achieve better results in these sectors, or if these voluntary savings which come out of the pockets of the citizens are being used to finance government spending? The structure has changed all right, but in what direction has it changed? I do not think comments such as, "The Turkish economy has reached a new point, the structure of the Turkish economy has changed," without looking at all of this carry much weight. Certainly, I do not think they are serious comments in the economic sense.

[Question] So, in your opinion, what are the problems the Turkish economy has been unable to solve today, or the important problems?

[Answer] I think the number-one economic problem is inflation. No other problem can be solved until that one is solved. This inflation is not something that comes and goes by itself that we just have to wait and it will decline. Inflation is an occurrence with known causes. You will find that the damage inflation does to the economy is much worse in the social structure. A smooth-running society, a society that runs smoothly in every way, a society that reacts to rough spots, cannot tolerate an inflation rate over 15 percent. For example, the European societies based on market economies cannot tolerate higher than 15 percent inflation for more than 3 years. Inflation is the result of state policy. And it is a sign that the state is not being run well. If there were inflation and you were to say, "I am running Turkey well," you would have a hard time convincing very many people. Actually, no matter what the administration, one cannot say, "I'm not going to correct inflation"; you have to buckle down and correct it. How long will it take? It means nothing to say, "It has already been 5 years, I will correct it in 5 more." There is a reasonable time frame for this. These periods have

already passed in Turkey. If you are saying that the Turkish economy has reached a new point, then I am telling you that the Turkish economy is in distress. If you take inflation as a standard, progress as regards inflation cannot be considered a success. Essentially, the present administration -- let me say first that I have no problem with the people or anything, I am just looking at events objectively. That is, if inflation is 40 percent in a country and we say that this is not good, do we have a problem with the people? I dare you to say that 40-percent inflation is good. There are some things that cannot be denied, and I am talking about them.

[Question] What do you think are the important problems besides inflation?

[Answer] Unemployment is the Turkish economy's second worst problem if you ask me. If an economy has steadily rising unemployment, it is impossible to call it success. I cannot think of a worse injustice than unemployment. If you take measures to correct distortion of income distribution, you cannot do it if unemployment figures are very high. You take some measures for the peasant, he produces; you take some measures for the worker, he produces; you cannot take measures for unemployment without creating job opportunities and unemployment insurance. The economy's third problem is viability. I think this has been the state's most important problem for 25 years, not just today. According to the 15-year perspective drawn up in the First 5-Year Plan, initiated in 1963, viability was supposed to be resolved in the 1970's, but interruptions and various problems intervened and Turkey could not solve the viability problem. Viability is not just an economic problem....

[Question] Would it be possible for you to explain this "viability" concept a little, Mr Demirel?

[Answer] Viability is Turkey's reaching the state to meet its foreign currency needs, the foreign currency needed for investment and to keep things going on a daily basis, through foreign currency earnings. Viability is Turkey's ability to overcome the foreign exchange requirement problem. Only you will earn this yourself, the foreign exchange will be yours. You can eliminate the foreign exchange shortage for a while through other sorts of measures, but they will not mean anything except postponing the problem until tomorrow or the next day. Look, turn to Table 14 in the Fifth 5-Year Plan, what do we see? Turkey has to come up with \$8 billion, more or less, in order to balance its foreign trade deficit and make the payments on its foreign loans in 1989. Suppose you get \$4 billion of the \$8 billion from somewhere, you are still \$4 billion short. This is the situation for 1989, and it is the same for 1985; that is, you have to find \$4 billion. Now, this being the case and with such a picture staring us in the face, what does it mean if you say, "The Central Bank is running over with foreign exchange"? If it is running over there, go get it, bring it here, put it on your balance of payments table and wipe off your deficit. These are deceptive terms. Foreign exchange and such do not run over in a Turkey that cannot have its viability problem solved even by 1989. It would be careless to do this, or talk about it in this way. If European banks pay a maximum of 8 percent and you consider the foreign exchange deposits on which you pay and get 12.5 percent interest at home as your foreign exchange earnings, you will again be

putting Turkey in a careless position as if there were no need to earn foreign exchange. If you spend \$550 million on second-hand machinery from Germany, flowers from the Netherlands, cheese from Switzerland, shoes from America and clothing from Italy, and if you spend the foreign exchange which you are earning at 12.5 percent on these things, then you ought to forget about the viability problem. This is different from saying, "We do not have a foreign exchange shortage at the moment." Now, after considering these three basic problems, I would like to say that the one which precedes all of them is a mentality problem.

[Question] What do you mean by a mentality problem?

[Answer] The state keeps a record, an account book. No one can twist that record to one side or the other to his own liking. A fourth problem is industrialization. If Turkey stops industrializing, or shifts from industry to business, I would consider this grave. If you stopped industrialization, it means you would not import new technology, and then you could not compete on the foreign market. If you are not proficient enough to compete on the foreign market when you enter it, you will have to pay the difference over your currency in order to sell your goods. If the official dollar exchange rate were 550, the exchange rate on the dollars you earned would rise to 700 liras under the measures called export incentives. The difference between these, you see, is the difference caused by the lack of power to compete. This is a difference that you take out of the people's prosperity and give to the exporter. If this amount reaches 1 trillion liras a year, then it is necessary, of course, to look at the phenomenon of distortion in income distribution and the phenomenon of inflation. I insist on industrialization. Modernization of agriculture, in my opinion, is very important also, but you are not going to bring Turkey to the level of \$1,000 per capita through agriculture. Don't get the idea that Turkey is now industrialized. What do you have? You have your 4 million tons of steel, 30 million kilowatt hours of electricity, 25 million-26 million tons of lignite, your 12 million-13 million tons of wheat. Turkey cannot make it on these figures. Turkey, must, therefore, continue the industrialization process. A Turkey without a machine industry cannot make it. As a result, I do not believe the structure has changed in the way the structure is said to have changed, though I do believe in the need to expose the hitches in Turkey's progress in an utterly objective way, to correct them and move Turkey forward.

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ECONOMIC

TURKEY

CONSTITUTIONAL COURT RULES OUT FOREIGN OWNERSHIP OF PROPERTY

Istanbul CUMHURIYET in Turkish 25 Aug 85 p 7

[Text] Ankara (CUMHURIYET BUREAU) - Foreigners can no longer buy property in Turkey. The decision and rationale rescinding the law, known popularly as the "Greed Heights Law," which allowed foreigners this right was published yesterday in the RESMI GAZETE. The ruling was actually made at a meeting of the Constitutional Court on 13 June 1985, but could not go into effect under article 153 of the constitution. Under that article, Constitutional Court repeal rulings cannot be announced until the ruling and rationale are presented in writing and this ruling cannot be retroactive. For this reason, land sales could still be made, in particular those made to Arabs on the Bosphorus, during the interval from 13 June until yesterday.

The Populist Party [PP] maintained that the law under which a paragraph had been added to each of article 35 of Title Deed Law No 2664 and article 87 of Village Law No 442, in addition to violating articles 1 and 2 of the constitution, was also in violation of the preamble, as well as articles 3, 7, 16, 44 and 45, and petitioned the Constitutional Court for repeal.

The Constitutional Court's preliminary examination of the petition took place on 13 September 1984 and it decided at that meeting for a full-scale investigation. Reviewed first during the investigation were the historical development and principles of the right of foreign natural and juristic persons to buy property in our country. It was discovered in these discussions that the Ottoman Empire had never granted foreign juristic persons the right to buy property in the country, while the right had been given to natural persons by law on 16 June 1868. The Lausanne Treaty marked the beginning of a new era in foreigners law in Turkey, and these rights were based on reciprocity.

The Constitutional Court upheld the PP suit on violation of articles 1 and 2 of the constitution, with Court President Semih Ozmert, Vice President Orhan Onar and members Mehmet Cinarli and Mustafa Sahin dissenting. The views contained in the written dissent follow in summary:

"Our constitution admits the principle that foreigners may enjoy many rights and has left the question to the discretion of the lawmaker. There is no special provision in our constitution on the purchase of property in Turkey by foreigners. Admission that the principle of reciprocity will not be sought in the purchase of land in our country by citizens of certain countries does

not violate the constitution. The views and principles contained in the preamble to the constitution must not be considered as each an independent provision, but must be the basis on which certain articles are interpreted. In the changing concepts of our time, states distance themselves to the extent that national interests require from the conventional view that land ownership and sovereignty are analogous and no longer hold that reciprocity is an essential principle. Moreover, it is not the task of the Constitutional Court to oversee whether laws passed by the lawmaker in the exercise of the powers of discretion granted him by the constitution are appropriate and necessary."

The Constitutional Court, in its decision and rationale, ruled against the claim of violation of article 3 of the constitution, but ruled in favor of violation of article 7, which states that the power to legislate belongs to the Turkish Grand National Assembly on behalf of the Turkish people. The same persons dissented with this view. The dissent notes that article 7 of the constitution provides that the power exercised on behalf of the Turkish people cannot be relegated and that article 16 provides that the fundamental rights and freedoms guaranteed under international law cannot be restricted by law for foreigners. The dissent reads:

"Since the power to institute new limits not contained in the law on the right of foreigners to buy property in Turkey has not been granted to the Council of Ministers, there can be no question that the power to legislate is being relegated."

The Constitutional Court also ruled against the PP's contention of violation of articles 16, 44 and 45.

Nothing changed in the interval of 2 months and 10 days since the Constitutional Court's repeal ruling. In fact, Minister of State Mesut Yilmaz said in a statement on the day the newspapers reported the ruling that sales to foreigners could continue to be made until the ruling and rationale were published. "Meanwhile, land values on the Bosphorus are rising," he said.

Sales, especially the sale of Bosphorus properties to Arabs, continued up until today. Under article 153 of the constitution which prohibits Constitutional Court repeal rulings from being retroactive, they became the property of the purchasers. That same article prohibits any sort of prosecution.

Under the ruling and rationale published in yesterday's RESMI GAZETE, it is no longer possible to sell land to foreigners.

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